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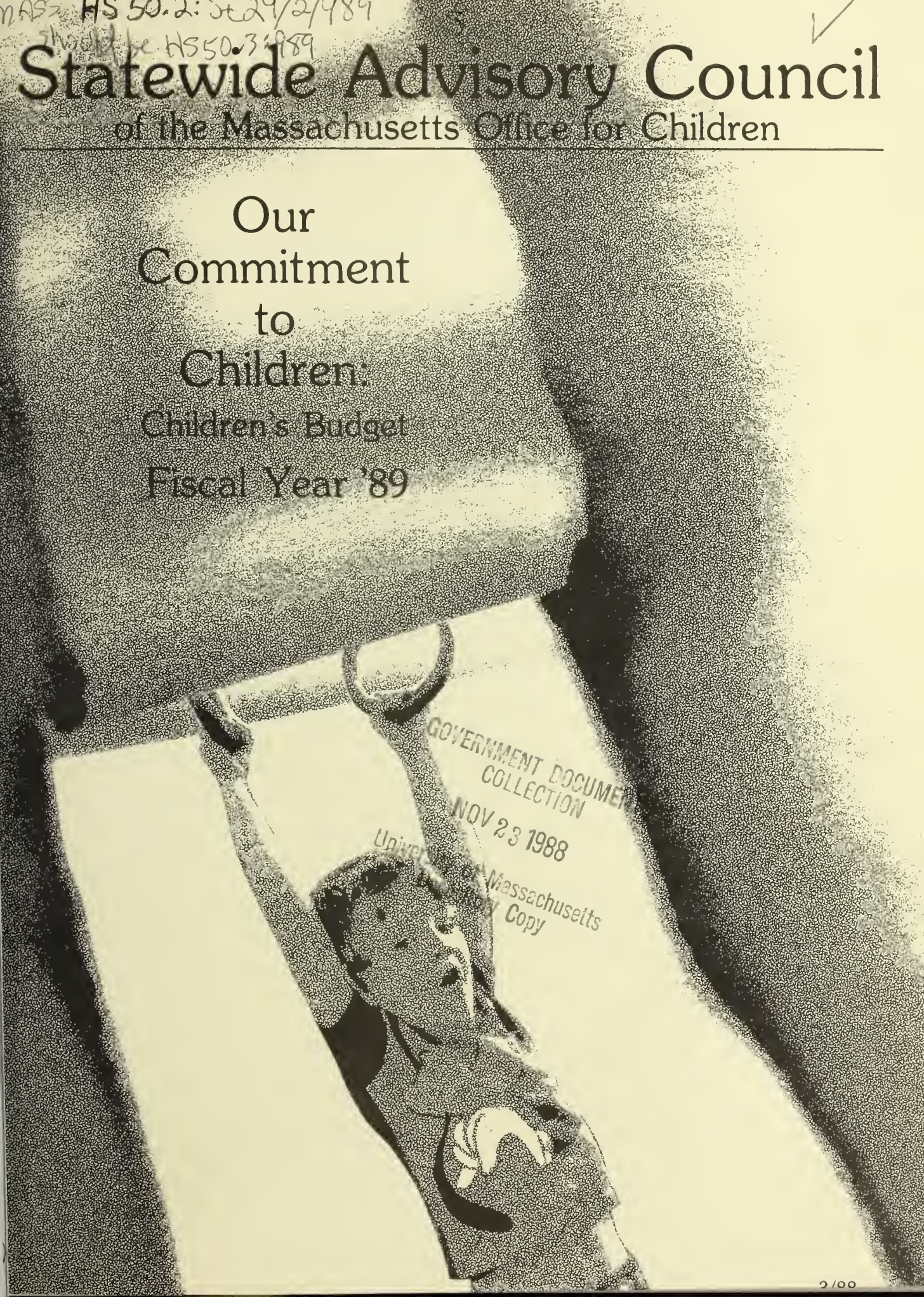
Statewide Advisory Council

of the Massachusetts Office for Children

Our Commitment to Children:

Children's Budget

Fiscal Year '89



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Appendix: Children's Budget Accounts Listing A-1

The Commonwealth of Massachusetts

Office for Children
Statewide Advisory Council

Dear Friends of Children:

Pursuant to its mandate in Chapter 28A of the Massachusetts General Laws "to advise on policy, planning, and priorities of need in the Commonwealth for services to children" the Statewide Advisory Council to the Massachusetts Office for Children issues its fourth annual analysis of the proposed state budget and its impact on children's services, **Our Commitment to Children: The FY '89 Children's Budget.** For Fiscal Year 1989 SAC issues an expanded analysis of the children's budget in lieu of a separate document issued by the Office for Children as in past years.

Our analysis compares children's initiatives proposed in the Governor's proposed budget, House 1, with requests made by individual agencies and our own assessment of priorities for children's services in FY '89.

In some instances, the Council proposes increased spending over that recommended by the Governor for some programs. Our recommendations represent appropriate investments which will better ensure that children in Massachusetts have every opportunity to lead healthy and productive lives. Failure to make such investments at this time may cost the state more money in costly services and programs for troubled and disadvantaged adults who were denied access to services in their childhood.

We hope that our effort will contribute to the legislature's and the public's understanding of the many strengths and some weaknesses in House 1. With the federal government's curtailment in its provision of services to children and families strengthening the commitment of the Commonwealth to children is imperative.

We wish to thank the staff of the Office for Children for their technical assistance in the preparation of the report.

Sincerely,

George Bachrach
Chairman and President

INTRODUCTION

On January 27, Governor Michael S. Dukakis released his proposed budget for fiscal year 1989. Entitled **Expanding Opportunity,** the $12 billion ("House 1") proposal included $186 million in new human services spending, of which $60.7 million was earmarked for children's services.

Budget deliberations occur within a wider political context. The Governor and his staff, the legislature, and child advocates will discuss the final FY '89 budget for children's services at a time when a slowdown in revenue growth threatens to halt the growth in expenditures realized in recent years. Also influencing the debate will be concern about a number of ongoing issues regarding the organization of children's services.

REVENUES

A slowdown in revenue growth has been apparent for more than a year. During its second term, the Dukakis administration could bank on annual double-digit tax revenue growth due to a booming economy. In addition to a tax cut, this allowed large increases in state spending for local aid and human services. During the budget preparation for the current year, FY '88, the Governor and the Secretary of Administration and Finance (A&F) Frank T. Keefe initially released projections signaling a revenue growth slowdown. At present, there is concern about a large deficit for FY '88; and A&F has requested that state agencies revert unused appropriations in an effort to fend off this threat.

In the fall of 1987, when the administration was preparing its FY '89 budget proposal, warnings about a slowdown were even more stern and expectations for human services expansion were pessimistic. Child advocates had difficulty accessing agency budget requests and statements of need. Agency requests were submitted as maintenance budgets and reflected only ongoing commitments. When advocates complained about the process, Secretary Keefe agreed to meet with several human service constituencies to discuss continued state funding for unmet needs.

As a result of those meetings, grassroots pressure, and further internal action within the administration, the Governor's budget was better than advocates had expected. Children and families can expect new programming and services in the areas of child care, foster care, mental retardation, homelessness, AIDS, and education.

However, many observers are concerned about how the state will pay for these new commitments. While the Governor's budget proposes a package of revenue increases through fees and other sources, similar packages have been rejected by the legislature in the past. SAC has learned that to help balance the budget, all accounts experienced across the board cuts in base funding -- two percent in regular personnel subsidiary accounts, 15 percent for consultants, and more in lower accounts. In some

cases no appropriations are made for equipment. No one can argue that some belt-tightening may help improve efficiency in state government, but it is essential to note that across the board cuts in base funding could have adverse consequences in instances where base funding is inadequate.

Two accounts in the state budget illustrate this point: the Department of Social Services (DSS) Regional Services Account (4800-0200) and the Department of Public Health (DPW) Family Health Services Account (4513-1000). These are statewide direct services accounts which fund a long list of important children's services and health programs. Both project multi-million dollar deficits in FY '88. Both have experienced the impact of federal cuts in recent years. Both are expected to fund various annualized expansions initiated in FY '88. SAC believes that across-the-board cuts in accounts already in deficit is an unwise fiscal policy.

Essential services may also be jeopardized by state efforts to cut costs in the Medicaid account (4402-5000). The largest in the state budget, the administration has targeted this account as a source of potential cost savings totalling $184 million. Some of these projected savings have been proposed and rejected in the past. Some would present undue hardships to certain Medicaid recipients. In one case, the state would place liens on houses owned by elderly Medicaid recipients when those individuals enter a nursing home. Currently, a lien cannot be placed until the recipient dies. In another case, families may have to terminate care with personal physicians.

In addition, advocates are concerned about the length of time it takes for health care providers to receive payment from Medicaid. Not only do late payments jeopardize the financial stability of health care facilities; but since the state is now required to pay eight percent interest on late paid bills, this practice may cost taxpayers even more in the long run. SAC is concerned about current state Medicaid policies.

ADEQUACY AND ORGANIZATION OF CHILDREN'S SERVICES

State officials, children's advocates, private human service providers, and parents are engaged in an ongoing series of deliberations about the organization and adequacy of children's services. These deliberations will have an impact on the FY '89 budget debate. The following topics are especially significant.

* **Mental Retardation**

  The Department of Mental Retardation (DMR) is developing a new set of services for mentally retarded children and their families. Respite care for disabled children has been transferred to DMR from DSS. How effectively DMR moves forward on this new initiative, and how cooperatively it works with local schools and others will be watched closely this year.

* **Child Abuse Prevention**

Legislation sponsored by the Special Commission on Violence Against Children, which created a Child Abuse Prevention Fund modeled on earlier proposals for a children's trust fund, passed in 1987. The new statute requires funding that was not proposed in House 1. Advocates will seek a major appropriation of between $1 million and $5 million either in a supplemental FY '88 budget, or through the legislature in FY '89.

* **Lead Paint Prevention**

The lead paint amendments passed in 1987 were not funded in House 1. Representative Richard Voke has already pledged to fund them in the budget proposal for the House Ways and Means Committee.

* **Children in Need of Services (CHINS)**

The CHINS Commission will release recommendations for new services and changes in the statute which mandates services to court-involved but non-delinquent youth.

* **Criminal Justice**

The Senate Ways and Means Committee may propose a new Executive Office of Criminal Justice in its budget proposal for FY '89. The Department of Youth Services (DYS), which is responsible for delinquent youth, would be included in this secretariat.

* **Legislative Initiatives**

The legislature will consider at least three major reorganization bills in 1988. Some child care advocates support a bill to create an Executive Office of Child Care. Child Welfare League agencies filed a bill to create a new department to oversee all children's services currently delivered by the DSS, DMH, and DYS. Representative David Cohen refiled his Family Policy Act; and in an unrelated action which addresses the same issues, Senator John Houston will hold hearings this spring to develop a "family" policy for Massachusetts.

* **Other Ongoing Efforts**

The Executive Office of Human Services (EOHS) continues to meet with the Children's Policy Group, which has been designated to oversee the implementation of the recommendations of the Task Force on Mental Health Services to Children and Youth. This task force called for major internal reforms in delivering children's services, tracking and managing individual cases, and ensuring

interagency cooperation. The Department of Education (DOE) continues to implement an array of Chapter 188 programs which call for increased cooperation at the local level between schools, businesses, human service agencies, and the surrounding community.

CONCLUSION

The ensuing chapters analyze past and proposed state spending for children's services. SAC hopes this information will be helpful to organizations and individuals who advocate on behalf of the Commonwealth's children.

THE BUDGET PROCESS

The state budget, perhaps one of the most important tools for making public policy, is a blueprint for the way in which billions of dollars are to be spent during the state's fiscal year which begins on July 1, 1987 and ends June 30. The preparation of the final budget for the Commonwealth begins several months before the beginning of the fiscal year; and generally, but not always, concludes prior to the beginning of that new fiscal year.

MAJOR STEPS

The major steps in the budget process are as follows:

* State agencies develop their budget requests during the summer months. In September, requests are sent to the appropriate cabinet secretary, the Senate and House Ways and Means Committee, the Budget Bureau and the Legislative Committee on Post Audit and Oversight.

* In October, each secretariat holds public hearings on its agencies' budget requests. The secretariats' recommendations are then forwarded to the office of the Secretary of Administration and Finance (the Budget Bureau).

* The Budget Bureau finalizes each secretariat's request and makes recommendations to the Governor. The Governor's Budget Request, House 1, is submitted by the Governor to the Legislature in January.

* House 1 is reviewed by the House Ways and Means Committee, and the Committee holds public hearings. The Committee then reports out its recommendation for the next fiscal year's budget. That document is sent to the House floor where it is discussed, amended and voted upon as the House version.

* The Senate Ways and Means Committee also reviews and holds public hearings on the budget recommendations contained in both House 1 and the House version. The Senate Ways and Means version is discussed, amended and voted upon by the Senate. The Committee makes its own recommendations to the Senate on what the Budget ought to be. The entire Senate then discusses, amends, and votes on a Senate version.

* Inevitably, because of differences between the House and Senate versions, a Joint Conference Committee is formed. This body usually consists of six members -- the chair and vice-chair of both Ways and Means Committees and a Republican minority member from each legislative body. The Conference Committee works out compromise solutions where differences exist in the House and Senate versions. The product of this Committee is sent to both the House and Senate for a final vote. Debate occurs, but no amendments can be offered.

* Once the budget is approved it is sent to the Governor for his signature. The Governor reviews it. He has ten days within which to make line item vetoes (i.e. reject specific appropriations) and approve the remainder of the Budget.

* The legislature, if still in session, reviews the line items identified for veto and has ten days within which to override the Governor's line item vetoes if it so chooses.

BASIC HUMAN NEEDS

The children's services analyzed in this section are those which address the basic human needs of children and their families. These include income assistance programs administered by the Department of Public Welfare (DPW) and housing programs administered by the Executive Office of Communities and Development (EOCD). Closely related to these, but described more fully in another section (see: **Child Health and Nutrition**), are programs which protect the health and nutritional needs of children.

CHILDREN AND POVERTY

Children who live in poverty are known to experience a higher incidence of many social and personal problems than children in general. These range from health and developmental problems at birth, to poor educational attainment in childhood, to the problems of at-risk youth -- school dropout, substance abuse, unemployment, delinquency and criminal activity. Poor children have a higher incidence of teen pregnancy, and children of teen parents are often caught in a cycle of poverty.

During the 1980s, many social analysts have charted the emergence of growing poverty among America's children, particularly in relation to other age groups. Children are now the largest age group living in poverty, fully 25 percent of all children in America live in a family whose income falls below the poverty line. In Massachusetts, children are somewhat better off; 15 percent live in poverty, still the highest rate of any age group in the Commonwealth.

INFANT MORTALITY

Child poverty in the 1980s is especially prevalent in urban neighborhoods, particularly those with high minority populations. One statistic that is generally accepted as a useful indicator of the quality of life in a society is the rate of infant mortality. In the 1980s, the infant mortality rate in the United States began to level off after decades of steady decline. The Children's Defense Fund reports that in 1985, the year for which most recent figures are available, infant mortality declined at a rate that was statistically insignificant compared to 1984. For black infants during the course of that year, the neonatal death rate rose and is now twice as high as that of the population as a whole. Although the Massachusetts infant mortality rate of 8.5 infant deaths per 1,000 live births compares favorably with the national rate of 10.6 (1985 figures), the gap between the rate for whites and blacks was much wider -- 8.2 per 1,000 live births for whites and 21.3 for blacks, a 160 percent difference. The **New England Journal of Medicine** reported a related statistic in a recent issue. In the city of Boston, 14 percent of inner city children -- three times the normal rate -- were born with a birth weight dangerously below normal.

HOMELESS FAMILIES

The growing number of homeless families is another key piece of evidence that illustrates the problems of today's poor families. A strong national economy -- based on an improving service sector and high technology jobs located in urban areas -- has increased real estate values and forced families ill equipped to participate in the boom out into the street. The DPW is already projecting that 5,700 families will need emergency housing in FY '88, a 46 percent increase over the previous year.

YOUNG FAMILIES

Between 1980 and 1985, the teen birth rate in Massachusetts rose 9.46 percent. The poverty rate among families where the head of household is under age 21 years is much higher than for the rest of the population and is getting worse. The median income of families where the head of the household is a young person fell 24.4 percent in real terms between 1973 and 1986, according to a national study conducted by the Center for Labor Market Studies at Northeastern University. Over a similar period (1969-84) the same group in Massachusetts saw its income fall 23.6 percent in real dollars. In Massachusetts, one-third of all families headed by a person under age 25 years lives in poverty.

Against a backdrop of these and similar statistics, we are seeing the emergence of a generation of young people whose economic prospects are lower than their parents'. This is especially true in urban and minority areas where employment rates, educational attainment, crime, and housing conditions all compare unfavorably with the 1960s.

WELFARE REFORM

Public officials have not ignored these alarming trends. The most positive aspect of the debate about welfare reform in recent years is the consensus among all parties that government must identify new solutions to the problems of child poverty. The challenge facing child advocates is to shape the debate in a way that ensures reform of the system does not penalize those who must rely on public assistance to survive. Conservative social scientists argue that welfare payments serve as disincentives for recipients to seek work and that reform of the system should require the recipients' return to work to pay off their debt to society. The more progressive studies have indicated there is little relation between the amount of AFDC (Aid to Families with Dependent Children) benefits and willingness to work. In fact, the real value of AFDC benefits has decreased from $140 per month per person to $122 per month per person between 1970 and 1986 (1986 dollars). The large majority of welfare recipients rely on public assistance for an interim period before seeking other means of support. All of the above argue against the stereotype of welfare benefits that are too high and encourage a culture of poverty and long term reliance on programs like AFDC.

Among child advocates there is an emerging consensus in support of a progressive vision of welfare reform. Professor Andrew Sum, principal author of the Northeastern study, proposes a number of policy recommendations, all of which are generally supported by major child advocacy groups such as the Children's Defense Fund. These recommendations include the establishment of:

* a subsistence budget for young families and subsidies that would give them the means to balance that budget;

* employment and labor-market policies to address the plight of the urban poor and underemployed;

* education and literacy programs;

* universal health insurance;

* progressive tax policies which increase exemptions for low income families;

* policies to increase access to quality child care and early education programs; and

* affordable housing and home ownership programs.

LONG TERM SOLUTION

These recommendations offer a long-term solution to the plight of poor children and families. They would foster an opportunity for this group to achieve a measure of economic success that has eluded them during the 1970s and 1980s.

In Massachusetts, public debate on the best long-term solution for assisting poor children and families out of poverty has focused on the appropriate mix of the above policies rather than fundamental disagreement about their wisdom. In 1986, advocacy groups for poor families and the homeless filed a lawsuit against the Commonwealth arguing that AFDC benefits were illegally low in violation of a statute which required they be sufficient to allow families to maintain a decent living standard in their own home. Rulings in the case, including a Supreme Judicial Court ruling in the fall of 1987, have required the state to better document the needs of poor families and to track the "poverty gap" -- the difference between AFDC benefits and the federal poverty level -- but have stopped short of requiring the state to raise basic benefits.

In accordance with the ruling, DPW has published for the past two years an "annual standard budget" for families on AFDC. This year's document, in addition to describing the budget necessary to maintain a decent living standard, also attempts to document a strategy the state is using to bring all families out of poverty. Advocates have taken issue with both the method of determining the budgets and with the out-of-poverty strategy.

In the standard budget, DPW states that families living in public housing require an annual income of $9,430 to maintain a decent lifestyle. These families receive average benefits of $8,882 for a poverty gap of six percent. Individuals living in private housing outside the Boston area require an annual income of $10,920 and receive average benefits of $9,744, for a poverty gap of 11 percent. Those in private housing in Greater Boston require $11,705 and receive $9,744, for a poverty gap of 17 percent.

The state's strategy to bring all residents out of poverty is a mixture of policies and programs which compare favorably with Sum's recommendations. AFDC benefits in Massachusetts have risen 47 percent in the past four years and House 1 proposes to raise them another 5.5 percent in FY '89. In addition, through a range of programs which address teen pregnancy, illiteracy, drug abuse, poor educational attainment among at-risk students, child care, homelessness, child support enforcement, and an effort to create a universal health insurance program, the state is moving deliberately to fight poverty among targeted groups. The centerpiece of the strategy is the Employment and Training Choices Program (ET) --DPW's voluntary work-training program for AFDC recipients. The ET Program features liberal child care, education, and health benefits and has placed over 40,000 recipients in jobs since its inception four years ago.

Advocates representing the plaintiffs in the lawsuit have taken issue with much of the above. They argue that the calculations in the standard budget, while accurate regarding the cost of living, are misleading in their calculation of average benefits. According to the advocates, DPW averaged into the standard budget a variety of programs and additional benefits received by some AFDC recipients, thus creating a misleading and inflated picture of a narrowing poverty gap. They argue that the basic benefit level would remain a full 35 percent below the poverty line, even with a 5.5 percent increase in FY '89. They point out that for a family in private housing in Boston, the basic grant with the monthly rent supplement and $150 yearly clothing allowance comes to $6,900/year -- 35 percent less than the poverty level. They are generally supportive of the state administration's programs to prevent teen pregnancy, support child care, establish universal health insurance, and prevent substance above. However, they argue that the first priority ought to be ensuring that all recipients of public assistance be provided with the means to live decently.

DEPARTMENT OF REVENUE

The following program within the **Department of Revenue** (DOR) addresses the plight of children and families in Massachusetts.

FY '88 Appropriation: $21,578,781
Agency Request: $26,098,054
House 1: $25,068,765

Child Support Enforcement 1201-0160

DOR is now responsible for enforcing child support payment requirements in Massachusetts. Two-thirds of Massachusetts AFDC recipients and an additional 100,000 single parent families do not receive child support payments to which they are entitled. Goals for FY '89 are to collect 60 percent of all currently unpaid payments and to collect ten percent of past due payments. Enforcement practices include attachment of tax refunds and assignment of wages, monitoring unemployment collections and using private collection agencies.

Support House 1.

SAC Recommendation

The following accounts within the **Executive Office of Communities and Development** (EOCD) fund programs which address the plight of poor children and families.

EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

FY '88 Appropriation: $10,166,686
Agency Request: $10,172,757
House 1: $3,000,000

Gateway Cities 3000-0301

This program provides grants and aid to communities with substantial numbers of non-English speaking residents. A total of 26 communities are eligible to participate in the program at this time. EOCD had requested maintenance funding to support all ongoing programs. House 1 cut that figure substantially. In FY '88, Boston received $3 million under this program. The administration has felt that the program should be viewed as a transitional mechanism to assist communities in adjusting to serving this population and should not become an institutionalized part of the state budget. The Legislature is widely expected to restore all or most of the House 1 cuts.

Support agency request.

SAC Recommendation

Supportive Services for Public Tenants
3722-9018

FY '88 Appropriation: $5,340,705
Agency Request: $5,333,872
House 1: $5,329,618

This account funds programs for public housing tenants including establishment of day care centers, tenant advocacy, and remedial education. The House 1 recommendation is equal to actual spending in FY '88. Reportedly, this account is consistently over balanced.

SAC Recommendation

Support House 1.

Housing Subsidies
3722-9024

FY '88 Appropriation: $101,104,298
Agency Request: $116,857,609
House 1: $115,831,922

This account funds a variety of housing assistance programs. It makes grants to housing authorities to establish and maintain units, including $20.9 million for family housing in the House 1 proposal. It includes the Chapter 707 program which provides 14,000 recipients with assistance equal to the difference between their fair market rent and 25 percent of their income. In FY '89, an additional 1,171 new units of affordable housing funded through this account are scheduled to open. Despite increases in the state's housing budget, two other factors have combined to make housing less available and more expensive. First, the federal government has decreased new housing production by 87 percent during the past eight years. Second, housing demand in Massachusetts rose by 176 percent between 1980 and 1986. Housing costs for buyers and renters in the Commonwealth led the nation. Given these trends, the Affordable Housing Alliance has recommended that the account be expanded by $20 million to provide Chapter 707 certificates to an additional 5,000 eligible families. This program has been effective in helping families keep up with rising housing costs and avoid displacement and homelessness.

SAC Recommendation

SAC supports the recommendation of the Affordable Housing Alliance to expand the successful Chapter 707 program for a total appropriation of $135,831,922.

FY '88 Appropriation: $6,835,553
Agency Request: $13,868,731
House 1: $13,868,731

SHARP
3722-9027

State Housing Assistance for Rental Production (SHARP) funds a loan program to private developers who pledge to set aside at least 25 percent of housing units in their projects for affordable housing. The FY '89 increase reflects funding for an increased number of units which were started over the past several years and are scheduled to come on line in FY '89. Budget language also allows for an increase in the commitment ceiling to allow the start-up of an additional 2,500 units next year for completion in a future year.

Support House 1.

SAC Recommendation

FY '88 Appropriation: $1,700,545
Agency Request: $1,716,007
House 1: $1,705,038

Housing Services
3743-2036

This account funds a homelessness prevention program. It supports workshops on ways to avoid homelessness as well as counseling programs for both tenants and landlords. It also includes a landlord/tenant mediation program. To date, the program has helped 3,884 families avoid homelessness. The Affordable Housing Alliance has recommended that this account be expanded by $750,000 to increase legal aid assistance to those threatened with eviction.

Support the recommendation of the Affordable Housing Alliance to increase legal services for a total appropriation of $2.5 million.

SAC Recommendation

FY '88 Appropriation: $15,000,000
Agency Request: $17,000,000
House 1: $16,997,000

Emergency Fuel Assistance
3745-1000

State support for fuel assistance programs is intended to make up for restrictions in the federal program which have cut off some recipients from participation in recent years. Federal fuel assistance funds to Massachusetts have declined from $82

million in FY '87 to $76 million in FY '88. These funds are expected to decline to $64 million in FY '89. Due to mild winters and comparatively lower fuel costs, service cuts were limited. However, because of the expected $12 million decline in federal funds, EOCD is considering ways to cut back this program in FY '89. Fuel assistance provides families who earn up to 150 percent of the poverty level with up to $750 per year in fuel and utility payments. The House 1 increase is actually a maintenance funding level, since the FY '88 appropriation had included $2 million from the previous year. Community Action Agencies, which administer the program, would like to receive increases in administration funds so that they can raise the salaries of their employees.

SAC Recommendation

SAC supports an appropriation of $29 million in this account for FY '89 to make up for the expected $12 million decrease in federal funds for the coming fiscal year.

DEPARTMENT OF PUBLIC WELFARE

The following accounts within the **Department of Public Welfare** (DPW) support services to children and families.

Food Stamp Administration 4400-1200

FY '88 Appropriation: $12,016,198
Agency Request: $12,621,164
House 1: $12,241,208

The federal government pays for the cost of providing benefits under the Food Stamp Program, but administration of the program is shared by the state and paid out of this account. In FY '88, $120 million in benefits were distributed in Massachusetts, down from $145 million in FY '87. This occurred when increases in Massachusetts AFDC payments resulted in corresponding decreases in food stamp awards. In addition, food stamp usage declined among some populations. In FY '87, 138,295 families received food stamps, in contrast to 143,000 in FY '85. Among these, 150,000 individual recipients are children. In FY '89, DPW will spend $60,000 on outreach to those who are eligible but not enrolled in the program. In its FY '88 request, DPW asked for $4 million for this purpose, but did not receive funding.

SAC Recommendation

SAC recommends that this account be funded at $13,241,208, $1 million over House 1, for an improved outreach program.

FY '88 Appropriation: $521,775,704
Agency Request: $635,691,000
House 1: $585,114,568

Aid to Families with Dependent Children 4403-2000

This program provides grants to eligible families with children where one parent is in the home and unemployed, or where two parents are in the home and the principal wage earner has a record of unemployment and is not receiving unemployment benefits. In FY '88, the basic grant is $510 per month for a family of three with a $40 per month rent supplement for families in private housing. According to advocates, this grant level is 35 percent below the poverty level. If the rent supplement is counted as income, it is 29 percent below the poverty level. Recipients also receive a clothing allowance of $150 per year per child. They are allowed to keep the first $50 per month in child support payments collected by the state with no reduction in AFDC benefits. This child support amount, however, does result in a decrease in the dollar value of food stamps. Through emergency assistance programs, recipients can receive special one time payments to purchase baby furniture and other emergency needs. In December 1987, the caseload included 84,901 families, a decrease of four percent since 1983. There is a regular turnover of 4,000 cases each month. Of cases which have been on the rolls for a longer period of time, there has been a 31 percent drop. The state credits this to DPW's ET program. Seven percent of all families in Massachusetts are on AFDC, and 31 percent of all single parent families are enrolled in the program.

House 1 proposes a 5.5 percent increase in the basic grant and no increase in the rent supplement. With the corresponding decrease in food stamps -- 89 percent of all AFDC recipients receive food stamps -- the increase is worth three percent in increased purchasing power. Emergency assistance programs are increased by $9.5 million to increase assistance to families at risk of homelessness. This funding will be used to pay rent and utility arrearages. The House 1 figure appears low, because it does not include projected increases in child support collection which were built into the agency request figure.

SAC Recommendation

SAC recommends a minimum 25 percent increase over FY '89 as called for by lawsuit plaintiffs. This would cost the state approximately $65 million over House 1.

General Relief
4406-2000

FY '88 Appropriation: $94,953,668
Agency Request: $100,202,092
House 1: $100,282,976

This is the fully state funded assistance program for individuals and families in need of financial assistance who are not eligible for other programs which pay higher benefits such as AFDC or SSI (Supplemental Security Income). Families who receive general relief (GR) are those with no work history. In recent years, they numbered about 1,500. Recipients also receive a $40 monthly rent supplement and $115 annual clothing allowance. House 1 proposes the same 5.5 percent increase for GR recipients as for AFDC. Advocates support the inclusion of GR recipients in their campaign to remove all public assistance recipients from poverty.

SAC Recommendation

SAC supports a minimum of 25 percent income increase in GR in FY '89 over FY '88 at a cost of $15 million over House 1.

Homelessness Programs
4406-3000

FY '88 Appropriation: $21,426,000
Agency Request: $56,287,000
House 1: $49,105,207

This account funds 50 to 75 percent of the 73 shelters operating in the state. These shelters provide 3,000 beds. Some operate only during the winter. In FY '87, 40 percent of all beds were occupied by homeless families, of which 90 percent were single parent and female-headed households. DPW has projected that 5,700 families will need emergency housing in FY '89. Through this account and AFDC, the Department has proposed a $21.8 million initiative to alleviate homelessness in FY '89. This initiative includes:

* improved case management services geared toward identification of early warning signs for families in danger of homelessness;

* payment of rent and utility arrearages of four months (through AFDC-Emergency assistance program);

* landlord/tenant mediation;

* housing search;

* social services to homeless families (in DSS budget);

* $3.4 million to annualize the cost of ten new shelters;

* ten transition to independent living programs for adolescents (in DSS budget);

* targeted rent subsidies for families at risk of homelessness, $300 per month for 5,500 families.

The specifics of most of the initiatives have not been spelled out. Of particular interest will be the guidelines set up for participation in the rent subsidies program and how administration officials will define "at-risk of homelessness".

Support House 1.

SAC Recommendation

FY '88 Appropriation: $29,000,000
Agency Request: $33,078,231
House 1: $29,064,282

Employment and Training Choices (ET) 4407-1000

This is the highly praised employment and training initiative of the Dukakis administration. While it requires all families with children over six years of age to register, participation is voluntary but strongly encouraged. It offers job placement, training, education, career assessment, vocational skill training, and child care and health benefits to assist AFDC recipients in finding a job and rising out of poverty. Average starting salaries are $13,000 per year ($6.25 per hour). The minimum starting salary is $5.00 per hour. House 1 level funds the program. The budget narrative states that these funds are sufficient to place an additional 13,400 AFDC and GR recipients into jobs in FY '89. House 1 dropped language which targeted $1 million for services to pregnant and parenting teens.

Advocates generally praise ET as preferable to mandatory workfare programs. However, an analysis of the first 25,000 recipients found 40 percent were earning wages that were below the poverty level, 35 to 40 percent had no health insurance, and over one-half were placed in low wage clerical, sales or service jobs. In addition, because of lack of access to adequate child care, 36 percent could not stay in their jobs.

Support House 1, but restore budget language targeting $1 million for programs for pregnant and parenting teens.

SAC Recommendation

CHILD AND FAMILY SUPPORT

Child and family support services are provided to children and families who have experienced difficulties, such as instances of physical or sexual abuse, emotional instability, behavioral problems or are otherwise unable to maintain themselves in society without the intervention of human services professionals. Most of these services are delivered by the Department of Social Services (DSS). These services include both out-of-home placement of children and in-home support services to children and their families. The specific types of services include but are not limited to: foster care, adoptive care, group home and residential placement, and preventive intervention programs.

Over the past several years, DSS has worked with human service providers, advocates for children, the state legislature, and other state officials on a number of task forces and commissions which have been studying the current state of service delivery to several specific populations. Recommendations from those groups will continue to help define the areas where DSS will expand and enhance the delivery of services to children and families. A summary of the status of each of the five groups which has or will make recommendations to DSS and other agencies on the delivery of services to troubled children appears below.

SPECIAL COMMISSION ON FOSTER CARE

The Special Commission on Foster Care delivered its final report in February of 1987. That group analyzed the foster care system in Massachusetts as administered by DSS. Key recommendations in the report included a proposal to increase services to foster families. This proposal focused on raising basic reimbursement rates and increasing support services for foster children and foster parents by a total of $17 million. Other recommendations addressed the role of foster parents within the DSS system and the need for improved coordination of services to foster children served by non-DSS agencies. With the expansion in foster care which is proposed in the Governor's FY '89 budget, the full package of financial recommendations will be realized.

DSS has made the improvement of services to foster children and foster parents a major priority over the past two years. Their efforts have resulted in significant improvements to the system including reimbursement rates equal to the cost of raising a child, an ambitious recruitment drive and training program for foster parents, and increased confidence on the part of the public and the legislature in the foster care system. For its efforts, DSS was named "State Agency of the Year" by the National Foster Parent Association in FY '87. The Statewide Advisory Council congratulates the Department on this well deserved award and looks forward to continuing to work with DSS in designing a more effective network of support for the state's foster families, who now care for more than 7,000 children.

SPECIAL COMMISSION ON VIOLENCE AGAINST CHILDREN

This Commission is studying services intended to prevent child abuse and neglect in the Commonwealth. DSS reports that instances of substantiated sexual abuse have increased in Massachusetts by 107 percent since FY '83. In an effort to reduce those figures in the future, the Commission will, in 1988, release a comprehensive plan to improve prevention efforts across the state. Their recommendations will include funding for the newly created Child Abuse Prevention Fund, which will become the focus of child abuse prevention efforts in the state.

CHILDREN IN NEED OF SERVICES (CHINS)

This group is examining prospective changes in the CHINS statute -- the law which authorizes parents to petition the Courts to refer an adolescent for treatment or other assistance. This process is intended to prevent future criminal or self-destructive behavior. For FY '89, the Chairperson of the CHINS Commission has expressed a need for additional services for adolescents who are runaways or who exhibit serious emotional or behavioral problems. These young people make up a large proportion of the CHINS population. The Commission and DSS feel that additional settings are needed to assess and treat this troubled population in an appropriate manner. These new facilities would prevent unnecessary commitments to DYS facilities which house juvenile offenders. (See Child Mental Health for a more complete description.)

MENTAL HEALTH SERVICES TO CHILDREN AND YOUTH

The Mental Health Task Force report was issued in March of 1987. Convened by the Executive Office of Human Services (EOHS) the task force found that residential and community based services to emotionally disturbed and mentally ill children and adolescents in the state, as provided by both DMH and DSS, were well below the level needed. National prevalence data project that as many as 190,000 children and youth under the age of 22 years in Massachusetts are at risk or in need of mental health services. State agencies can document that only 63,000 are receiving services. The Task Force also recommended a number of improvements in the delivery of services, describing a comprehensive delivery system which would include social services, and emphasize preventive programs. Further recommendations would see the involved state agencies, principally DSS and DMH, develop standardized data bases and assessment and treatment models. These recommendations are largely unrealized. In response to the lack of progress in implementing the task force's recommendations, a group of child advocates has filed legislation which would reorganize children and family services in the state under one agency. This agency would assume full responsibility for all child and family services provided by DMH, DSS, and DYS. While SAC is not prepared to endorse this legislation, it shares many of the concerns of the group which drafted the bill.

SAC is also concerned that substantial variance existed across the board between "maintenance funding" requests put forth by DSS and House 1. The House 1 maintenance budget appears to include real cuts in DSS's base budget.

The following account at the **Executive Office of Human Services** funds child and family support services.

EXECUTIVE OFFICE OF HUMAN SERVICES

FY '88 Appropriation: $1,200,000**
Agency Request: $1,200,000
House 1: $2,234,320

Teen Pregnancy Prevention Challenge Fund 4000-0720

**NOTE: This includes a $200,000 prior appropriation continued from FY '87.

This account provides funding to community-based coalitions to design and implement strategies to prevent teen pregnancy and support teen parents. In FY '88, planning efforts are funded in nine communities and service delivery in five communities. The program also includes a statewide public education component. In 1985, 6,970 teens gave birth accounting for 8.5 percent of the total birth rate in Massachusetts.

SAC Recommendation

SAC recommends an increase in the Challenge Fund for a total of $3 million to further expand the number of communities served.

The following account in the **Office for Children** supports services for children and families.

OFFICE FOR CHILDREN

FY '88 Appropriation: $9,258,595
Agency Request: $10,593,569
House 1: $11,825,479

Field Operations 4130-0005

This account funds OFC's substitute care licensing program. OFC licensors monitor over 450 private programs which care for children in residential settings and place children in foster care and adoptive homes. They also assess DSS regional and area offices which provide foster care and adoption services. There are currently more than 12,000 children in some form of substitute care in Massachusetts.

OFC's Help for Children program serves a substantial number of children requesting child and family services in its caseload.

Each of the 43 OFC area offices houses a child welfare specialist. These child welfare specialists, through the "Help for Children" program, provide comprehensive information and referral to children and their families and coordinate cases for children whose multiple problems require an unusually complex mix of services. When the appropriate services for such a child cannot be coordinated at the local level, the case may be referred to regional or central interagency teams chaired by OFC. These expert teams work together to ensure that the most appropriate treatment is provided to these seriously troubled, ill, or disabled children.

In FY '87, HFC responded to nearly 80,000 requests from parents and professionals for information and referral, and helped more than 7,000 families and children obtain services from multiple agencies. A total of 285 children were seeking CHINS-related services.

OFC has made significant progress in strengthening the HFC Program. However, it has become clear that the program is not able to meet the need for its services in many areas of the state. This is particularly the case in areas with large populations of linguistic minorities and in areas which cover a large geographic territory.

To address this, OFC will need to institute a well publicized computerized information and referral service which can be accessed by anyone, including the deaf and hard-of-hearing, by toll-free telephone lines. Staff assigned to answer these phone calls should be bilingual or have access to translators in those areas where many linguistic minorities live.

In addition, OFC needs to target certain offices for placement of a second child welfare specialist. Targeted offices would be those where caseloads are high or especially complex or where the geographic service area is large. Finally, certain specialized personnel, such as special education specialists, will need to be added to OFC's regional offices to assist child welfare specialists in securing educational entitlements for special needs children.

OFC's Community Development Program (CD) serves the agency's volunteer arm. A Community Representative is located at each of OFC's 43 area offices to act as staff to OFC's Councils for Children. More than 2,000 citizen volunteers work through local councils to evaluate children's services, advise OFC in local concerns, and increase public awareness of the problems facing the state's children. The CD program has been at the center of activities to expand school-based initiatives.

This program has taken on this new role and is understaffed. At least six local initiative grant coordinators are needed to assist individual communities in forming local initiative coalitions and in securing funding available through Commonwealth Futures, the Teen Pregnancy Prevention Challenge Fund, the Governor's Alliance Against Drugs, and the Department of Education's Chapter 188 grants to support these local activities.
These OFC programs are funded at maintenance levels in House 1. The narrative of the Office for Children budget states a need for additional Help for Children staff.

SAC Recommendation

SAC recommends total funding at $12,577,667:

* the re-establishment of the Children's Reserve Fund at $400,000 at OFC for use in funding TEAM cases;

* six grant coordinators to support local initiatives;

* ten additional child welfare specialists for targeted offices with especially high or complex caseloads and one additional HFC supervisor;

* three regional specialists in special education to further assist child welfare specialists;

* two I&R specialists to pilot target information and referral services to currently underserved linguistic minorities.

Office of the Commissioner 4130-0001

FY '88 Appropriation: $1,387,603
FY '89 Request: $1,672,708
House 1: $1,491,452

See chapter on Child Care.

DEPARTMENT OF SOCIAL SERVICES

The following accounts within the **Department of Social Services** (DSS) support child and family support services.

Permanency Services 4800-0020

FY '88 Appropriation: $15,800,000
Agency Request: $20,755,783
House 1: $17,615,754

This account funds administration and implementation of DSS adoptive services including adoption subsidies and guardianships. The account is funded at a maintenance level in the agency request and House 1. The Department has stated its intention to implement internal initiatives to improve services through enhanced record keeping, increased rates of reimbursement, and increased caseloads.

SAC Recommendation

Support House 1.

Foster Care Review 4800-0025

FY '88 Appropriation: $2,389,000
Agency Request: $2,621,612
House 1: $2,329,069

This program conducts case reviews of all children in substitute care in the Commonwealth. Reviews are conducted by three member panels comprised of a reviewer, a second DSS staff person, and a volunteer. The reviews assess individual services received by the child and progress towards reunification with a permanent family. House 1 cuts the program by one staff position.

SAC Recommendation

Support agency request.

New Program Reserve 4800-0028

FY '88 Appropriation: $5,765,857
Agency Request: none
House 1: $4,497,000

Since FY '87, this account has funded enhancements in foster care services recommended by the Foster Care Commission. Last year's increases in the base rate, clothing allowance, and other services were annualized and included in the Regional Direct Services Account. The proposal in House 1 is to provide an additional $4.5 million to fully fund all of the recommendations of the Commission. Specific items include: $2 million for specialized foster care services; $400,000 for the establishment of a 24-hour emergency response system for foster

parents; $150,000 to hire 12 nurses within DSS to help maintain the health of foster children; and $1.5 million to establish a pool of funds to reimburse foster parents for a variety of "extraordinary" expenses. Additional funds will increase the base rate of reimbursement in accordance with the 1987 USDA figures on the cost of raising children in the northeast.

Support House 1.

SAC Recommendation

FY '88 Appropriation: $98,885,000
Agency Request: $124,570,476
House 1: $114,754,163

Regional Direct Services 4800-0200

This account, along with $6.9 million in retained revenue and the steadily declining federal Social Services Block Grant -- projected at $64 million in FY '89, funds over 1,700 social workers and a network of social services. These services include comprehensive emergency services, case management, community residential services, counseling, family planning, foster care, home finding, telephone hotlines, mediation, parent aides, emergency shelters, and transitional living programs. House 1 includes $9.2 million above FY '88 funding to support an across-the-board 3.8 percent COLA for all contracted providers, a total of $625,000 to fund ten transitional living programs that were part of the DPW's Homelessness Initiative, and annualizes $5.5 million in increased foster care and family planning services initiated in FY '88. These increases, which do not include collective bargaining or other costs internal to DSS, total $18.5 million or $2.5 million more than the House 1 recommendation. This account in recent years has been running an annual deficit, and is expected to do so again in FY '88. In past years these deficits have caused displacement of children in residential programs. SAC is concerned that DSS will not be able to maintain needed services if the account is funded at the House 1 recommended level.

Support agency request of $124,570,476.

SAC Recommendation

CHILD CARE

Fiscal Year '89 will mark the fourth year of the continued implementation of the Governor's Day Care Partnership Initiative. The initiative, implemented according to the plan of the Day Care Partnership Project, has led to significant progress in Massachusetts towards the creation of a diversified system of community-based child care services that are accessible, affordable, and safe. Since 1984, the Commonwealth has accomplished the following:

IMPROVED QUALITY

Increased resources for the Office for Children's Licensing Division have given the agency an opportunity to improve its role as both a monitor of and consultant and trainer to child care providers. The Office for Children's increased presence in family day care homes, its assumption of responsibility for licensing school-age child care programs, and the reduction of the backlog in group day care licensing has had a direct impact on improving day care quality in Massachusetts and assuring that children in care are in a safe and healthy environment. This in turn has increased the confidence of the public and the state legislature in our child care system.

INCREASED CAPACITY AND AFFORDABILITY

The day care initiative has increased public access to child care through:

* the establishment of a statewide network of child care resource and referral (CCR&R) agencies;

* funding for 8,800 additional subsidized child care slots;

* the corporate child care program, which has provided technical assistance to hundreds of corporations in establishing on-site child care centers or other programs to help employees obtain child care services; and

* the Affordability Scholarship Assistance Program (ASAP), which has assisted working families, whose incomes fall between 71 and 100 percent of the state median income, in paying for child care.

IMPROVED SALARIES

A 40 percent increase in wages for child care workers in contracted programs since 1985 has enabled the system to retain and recruit qualified staff.

These efforts have allowed Massachusetts to lead the country in developing a network of child care services that matches the supply of child care services with the increased demand while maintaining and improving overall quality.

ENSURING ACCESS

Despite these noteworthy gains, the administration and child care advocates agree that much more has to be done to ensure that all families in Massachusetts have access to the child care they need.

In FY '89, the Governor has proposed to continue working toward the goals of the partnership project with a $23.8 million expansion request in House 1. This proposal includes funding for an additional 4,650 subsidized child care slots, additional funding for CCR&R's, increased training for child care providers, increased funding for the ASAP Program, and increased licensing capacity at the Office for Children.

In the coming year, several unresolved day care policy issues will affect discussion about the FY '89 budget.

Affordability:

An ongoing study of child care in Massachusetts indicates that two out of five of all low income families, those who earn less than 71 percent of the state's median income, may pay more than 15 percent of their income for child care. Substantial numbers of two-income families and moderate income families pay over ten percent of their income for child care.

To respond to the affordability problem, the state has created a scholarship fund that grants subsidies to families whose income falls within 71 and 100 percent of the state's median income. Members of the child care community, however, have proposed an additional mechanism to make child care more affordable to moderate income families -- the funding of 1,000 additional slots in state contracted programs. They feel that this method of expanding services to moderate income families will lead to more equitable use of state subsidies and enable child care providers to serve families of all economic levels at a fair rate.

Also at issue is the number of families who can be served. A program to serve moderate income families who have trouble finding affordable child care is an essential part of the state's effort to establish a diversified system of child care. But the numbers in need of such assistance at both moderate and lower income levels exceed the state's present resources. A 1986 DSS **Day Care Report** found that at least 25 percent of families with children at DSS subsidized child care programs could qualify for subsidized care but paid the full rate because a subsidized placement was not available.

The role of public schools in child care:

A number of groups at the state level, including a new legislative commission and the Statewide Advisory Council plan to discuss issues concerning appropriate linkages between the public schools and community-based child care programs. While the majority of state funds for child care have gone to community programs, funding at the Department of Education (DOE) has led to the establishment of 40 new early childhood education programs by public school systems, with many more in the planning stages. Future funding decisions will be influenced

by discussion this year about how those programs mesh with the rest of the child care network in Massachusetts in terms of program standards, teacher qualifications, information and referral networks and other issues.

The following accounts in several state agencies and executive offices include funding for child care related programs:

DIVISION OF CAPITAL PLANNING AND OPERATIONS

The following account within the **Division of Capital Planning and Operations** supports efforts to expand day care availability.

Child Care Pool 1102-7895

FY '88 Appropriation: $2,000,000
Agency Request: $4,000,000
House 1: $4,000,000

These funds are requested annually through the capital outlay budget to establish state-run child care programs in state facilities. Funds have been increased in FY '89 budget proposals to establish and open centers at Tewksbury State Hospital and the Belchertown State School for 36 children and for further design work on a program at Deaver State School for 72 children. Other programs in development are at Wrentham State School, Fernald State School, and Monson State School. Other capital funds for child care are provided through an account (1109-9896) which funds the Board of Regents to conduct a study of the need for and capabilities of child care programs serving state higher education facilities.

SAC Recommendation

Support House 1.

EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

The following account within the **Executive Office of Communities and Development** supports child care in public housing projects.

FY '88 Appropriation: $5,340,705
Agency Request: $5,333,872
House 1: $5,329,618

Supportive Services for Public Tenants 3722-9018

This account funds remedial education, employment and training programs, tenant advocacy, elder services, and day care centers in public housing projects. The House 1 request represents a maintenance budget.

Support House 1.

SAC Recommendation

The following accounts within the **Office for Children** support child care related activities.

OFFICE FOR CHILDREN

FY '88 Appropriation: $1,387,603
Agency Request: $1,672,708
House 1: $1,491,452

Office of the Commissioner 4130-0001

This account is increased in FY '88 to include the Day Care Training Coordinator position transferred from DSS, $56,000 for the Disability Law Center (DLC) contract (also transferred from DSS), and a special education attorney to be hired in May, 1988. It is expected that between 109 and 114 children involved in special education appeals will be served by the DLC contract in FY '88.

The FY '89 House 1 recommendation annualizes the special education attorney to serve as a resource to OFC child welfare specialists and to private attorneys who are required to advise parents and children on an increasingly complex area of the law. The DLC contract continues to be funded.

Support House 1.

SAC Recommendation

Field Operations 4130-0005

FY '88 Appropriation: $9,258,595
Agency Request: $10,953,569
House 1: $11,825,479

This account funds all licensing activities, the Day Care Training Program, the Day Care Affordability Program, and the Help for Children and Community Development Programs. The latter two programs are described fully in Child and Family Support chapter.

Licensing:

The Office licenses all forms of out-of-home child care for children: day care centers, family day care homes, group residential care, shelters, and foster care and adoption placement agencies. In FY '87 OFC's Licensing Division was responsible for overseeing more than 11,500 child care programs.

The Licensing Division has doubled its staff since 1983 to keep up with the rapid growth of new child care programs. Increased resources also enabled OFC to institute a new licensing program in FY '87, the School-Age Child Care Program. The number of School-Age Child Care programs is expected to double by the end of FY '89 and will create a need for additional licensors, an enforcement specialist, and a second supervisor.

Day Care Training:

Administered by the Department of Social Services during FY '87 and by OFC during the current fiscal year, the Day Care Training Program provides training opportunities for staff in licensed group day care programs and family day care homes. Using an FY '88 budget increase of $200,000, the Day Care Training Program expects to:

* provide workshops and seminars for more than 3,000 child care workers;

* offer 80 to 90 college credit courses throughout the state for over 2,000 group day care workers;

* coordinate and monitor training workshops and seminars provided through the 12 CCR&Rs, targeting family day care workers;

* sponsor additional intensive seminars for another 300 participants; and

* sponsor four or five intensive overnight training conferences for family day care providers.

Child Care Affordability:

In FY '87, OFC initiated and planned the Day Care Affordability Project. A day care affordability study, co-sponsored by OFC and the United Way of Massachusetts Bay and conducted by a research team from the Wellesley Center for Research on Women and the Center for Survey Research at the University of Massachusetts/Boston, is slated for release in FY '88. The final report will provide the groundwork for development of a multi-year plan to foster affordable day care.

The Day Care Affordability Project also initiated an Affordability Scholarship Assistance Program (ASAP) in June of 1987 to help families pay their day care costs. Almost 1,400 families applied for scholarships, which range from $15/week or $750/year to $39.91/week or $2,075.50/year. OFC expects that approximately 300 families will receive child care scholarships through June 30, 1988.

In FY '88, eight new administrative positions (seven business managers and an assistant personnel manager) are added to support OFC program expansion. A computer specialist position is converted from an 03 consultant contract to an 02 state position. A second child welfare specialist is added for the Springfield area office. For FY '89, OFC is requesting the transfer of $570,000 in training funds into this account from the CCR&R account.

The Governor's recommendation represents annualization of FY '88 positions and includes a number of expansion items related to child care:

* $274,350 to fund eight new school-age licensors to complete the licensing of the 575 programs identified statewide; fourteen (14) additional licensing assistants; and one special needs day care licensor.

* transfer of $440,000 in day care affordability funds from DSS plus an expansion of $145,000 to extend day care scholarships to low and moderate income families. The OFC Day Care Affordability Program staff position is converted from an 03 consultant contract to an 02 state position.

* $300,000 in additional funds for day care training programs. This brings the total training funds in this account to $870,000, which includes the $120,000 for CCR&R workshops.

* $80,000 is added for an orientation program for new family day care providers. These funds were allocated to the incorrect subsidiary and should be transferred to the personnel account ("01"). However, no staff positions are included to carry out this work. OFC needs six (6) new positions to implement this program.

There is no expansion in either Help for Children or Community Development.

SAC Recommendation

SAC supports House 1, but also recommends additional staff to support Help for Children, Community Development and the family day care orientation program. The cost over House 1 would be $752,188 for a total of $12,577,667.

Child Care Resource and Referral 4130-0015

FY '88 Appropriation: $2,402,181
Agency Request: $2,595,869
House 1: $2,017,594

This account supports the statewide network of 12 CCR&Rs. FY '88 initiatives include the transfer from DSS of $400,000 in training funds and an expansion of $170,000. Of this, $120,000 is distributed to CCR&Rs proportionate to their size to provide workshops for family day care providers and day care staff. The CCR&R manager position is converted from an 03 consultant contract to an 02 state position.

As required by budget language, OFC developed and the Executive Office of Administration and Finance approved a funding and match formula for the CCR&R Program which will eventually require CCR&Rs to fund 50 percent of their program costs by developing local private and public funding sources. SAC is concerned since CCR&Rs are currently funded $200,000 below OFC's FY '88 request. Although $120,000 is targeted for training through CCR&Rs, additional staff are needed to coordinate these activities.

Since its inception, the network has assisted over 40,000 families in identifying and securing child care services. CCR&Rs educate consumers by providing parents with information on how to choose a good program and where openings exist; provide and coordinate day care worker training; and assist in the development and expansion of day care programs by providing technical assistance to groups and individuals who are interested in starting new day care programs.

House 1 includes $200,000 to expand the service capabilities and resources for training child care providers. Child care advocates support an increase of $1.25 million for: increased information and referral services ($500,000); community partnership staff to work with corporations and other community groups ($500,000); and increased training capacity ($250,000). This requested increase reflects difficulties CCR&Rs are experiencing in operating under the current funding formula which requires these agencies to raise a substantial percentage of their funding from the private sector.

Support full increase advocated by the day care budget endorser's group for a total appropriation of $3,067,594.

SAC Recommendation

The following account at the **Department of Public Welfare** supports child care.

DEPARTMENT OF PUBLIC WELFARE

FY '88 Appropriation: $30,231,716
Agency Request: $54,432,998
House 1: $53,296,624

Voucher Day Care 4400-1009

This account pays the child care costs of AFDC recipients enrolled in the DPW's ET Choices Program. House 1 includes 3,400 new voucher day care slots for FY '89.

Support House 1.

SAC Recommendation

The following account within the **Department of Social Services** supports child care.

DEPARTMENT OF SOCIAL SERVICES

FY '88 Appropriation: $79,550,000
Agency Request: $92,798,030
House 1: $99,550,761

Day Care 4800-0060

This account funds day care services in contracted programs for over 14,000 children of low income families; over 4,000 children who have been sexually or physically abused; and over 300 teen parents. It includes continued funding for child care worker salary increases. House 1 includes proposed expansion of 850 slots for low income families, 300 new protective slots, and 100 slots for teen parents. Salaries are increased by an across the board 3.8 percent cost of living adjustment (COLA). A salary reserve at the Executive Office of Human Services (EOHS) will also raise salaries for a total increase of about five percent.

Advocates support an increase in services of 1,000 new slots for low income families, 500 slots for teen parents, and a ten percent increase in salaries. They also support an additional reserve fund for increased operating costs such as increases in liability insurance and increased costs due to improvements required to meet state licensing standards.

SAC Recommendation

SAC supports the recommendations of the day care budget endorser's group to fund 150 low income slots in addition to the 850 proposed in House 1, 400 teen parents slots in addition to the 100 in House 1, and the additional salary and operating funds requested.

EXECUTIVE OFFICE OF ECONOMIC AFFAIRS

The following account within the **Executive Office of Economic Affairs** (EOEA) supports child care.

Corporate Child Care 9000-0104

FY '88 Appropriation: $100,000
Agency Request: $100,502
House 1: $86,000

Through this account, EOEA funds eight CCR&R's to provide technical assistance to corporations in Massachusetts interested in expanding their employees' day care options. The funding is used for community forums, staffing, and needs assessments conducted in conjunction with community groups and unions. The program has assisted in the establishment of over 107 corporate sponsored child care programs in the Commonwealth. House 1 cut the budget by $14,000 as part of an across the board cut in the Executive Office's budget.

SAC Recommendation

Restore the account to the full FY '88 funding level of $100,000.

DEPARTMENT OF EDUCATION

The following account within the **Department of Education** (DOE) supports child care related programming.

Early Childhood Education 7030-1000

FY '88 Appropriation: $7,200,000
Agency Request: $10,320,000
House 1: $10,320,000

This is a Chapter 188 grant program which funds school districts to establish publicly run preschool, enhanced kindergarten, transition to first grade, and early education programs. Seventy-five percent of all funds are targeted to low income school districts. The proposed increase of $3 million annualizes funding from FY '88, the same amount will be available for requests for proposals (RFP) in FY '89 as was

available in FY '88. DOE received $14 million in RFP responses from eligible communities during FY '88. In addition, of the 130 grants this year, 90 are planning grants. Many of those communities will seek additional implementation funds in FY '89.

Support House 1.

SAC Recommendation

FY '88 Appropriation: $4,500,000
Agency Request: $4,500,000
House 1: $4,500,000

Head Start 7030-1500

This account provides subsidies to federally funded Head Start programs to support salary increases and expansion of services. The DOE narrative recommended an additional $300,000 to increase certain salaries of Head Start employees to at least the minimum wage. Head Start Directors are seeking an additional $3 million to bring Head Start program wages into parity with DSS funded day care programs.

SAC supports total funding for Head Start of $4.8 million to increase salaries to the minimum wage for entry level staff.

SAC Recommendation

CHILD HEALTH AND NUTRITION

Providing for the health and nutritional needs of children and adolescents from birth through age 21 years continues to be a strong area of concern and commitment for the Commonwealth. Research indicates, however, that there are serious gaps in adolescent and prenatal health care, a high infant mortality rate among certain populations, and persistent nutritional problems among children and adolescents.

FAMILY INCOME

Family income is more strongly related to measures of poor health than any other factor. Increased infant mortality among low-income families in the United States and in Massachusetts has been consistently documented. Despite one of the lowest unemployment rates in the country, many Massachusetts families are unable to afford housing, food, and medical care.

According to a recent study by Women for Economic Justice, there is a growing body of working poor, many of whom are unable to find year-round or full-time employment. Others working full-time earn wages that are inadequate to bring them above the poverty line. A person working full-time year-round at minimum wage, for example, would earn only $7,300 -- an income that is below the poverty line for a family of three. At $5.00 per hour, this person would earn only $10,000, a figure less than $1,500 above the poverty line for a family of three.

UNEMPLOYMENT AND MINORITIES

Coupled with the current housing crisis and the continuation of discriminatory practices in housing and employment -- unemployment is more than twice as high among Blacks and other minority populations as the general population. The situation for Black children is especially bleak. In Massachusetts between 1979 and 1984, the percentage of Blacks and Latinos in poverty rose from 24 percent to 27.9 percent, and the total number of poor female-headed households increased by 17.6 percent.

HEALTH INDICATORS

In addition, there are indications that the general health of Massachusetts children is declining:

* An estimated 228,000 Massachusetts children live in families with incomes below the poverty line. One in five of all children under five years of age are poor.

* Among Black children in Massachusetts, one in three live in poverty; two in three of all Latino children are poor.

* One in five of all low-income preschool children is undernourished.

* Six percent of all children born in Massachusetts have low birthweights.

* 600,000 individuals in Massachusetts have no health insurance, and 234,000 of these are children.

* While the overall infant mortality rate in Massachusetts is below the national average (and is currently about 8.5 per thousand births), the rate for Black infants has remained consistently higher with the gap widening. In Massachusetts, infant mortality among Blacks is two and one-half times the rate for white infants. In fact, the mortality rate among Black infants increased 46 percent from 15.1 per 1,000 in 1984 to 22.1 per thousand in 1985, well over the national rate of 18.4 per 1,000 for Black infants.

* Less than 50 percent of financially eligible pregnant women, infants and children in Massachusetts receive nutrition supplements through the WIC program.

* In 1985, only 63 percent of pregnant women between 18 and 19 years of age received early prenatal care. Teens under age 18 years were represented at an even lower rate of 56 percent. Only three-quarters of Black and Latino women received early prenatal care.

* There are 27 children diagnosed with AIDS and few support services for these children and their families. About ten percent of all AIDS cases in Massachusetts are women and children.

SUPPORTING BETTER HEALTH AND NUTRITION

Building on ongoing efforts to reduce infant mortality through access to prenatal care, and increase AIDS prevention and treatment programs, House 1 includes a number of activities to support better child health and nutrition. There are increases slated for Healthy Start, the Teen Pregnancy Prevention Challenge Fund, AIDS prevention and treatment, and a $100 million increase in hospital payment rates, a key part of implementing "Health Care for All", universal health care.

These efforts are not sufficient, however, to meet the needs of Massachusetts families and children. Without the passage of legislation to provide universal health care, children will not have adequate health care. Of the 600,000 residents under the age of 65 without any health coverage, over 80 percent are in families where the head of household works, but whose employer does not provide insurance. SAC strongly supports passage of the universal health care legislation and additional increases in the following programs which provide complementary health and nutrition services to children. Many of these programs are administered by the Departments of Public Welfare and Public Health.

The following account within the **Executive Office of Human Services** provides support for children's health-related programs.

EXECUTIVE OFFICE OF HUMAN SERVICES

FY '88 Appropriation: $1,200,000*
FY '89 Request: $1,200,000
House 1: $2,234,320

Teen Pregnancy Prevention Challenge Fund 4000-0720

*NOTE: This includes a $200,000 prior appropriation continued from FY '87.

The Teen Pregnancy Prevention Challenge Fund provides support to communities addressing the problem of teenage pregnancy. House 1 includes $1 million in expansion to fund prevention programs in the nine communities undertaking planning efforts this year and extends planning funds to additional communities is FY '89. See Child and Family Support chapter for a more complete analysis.

See Child and Family Support for Teen Pregnancy Prevention Challenge Fund (4000-0720) recommendation.

SAC Recommendation

The following accounts within the **Department of Public Welfare** support health-related services to children and families.

DEPARTMENT OF PUBLIC WELFARE

FY '88 Appropriation: $1,255,000
FY '89 Request: $1,306,838
House 1: $1,369,132

Project Good Health 4400-1400

Project Good Health is a preventive health program targeting Medicaid recipients under the age of 20 years. This account pays for administering the program; health services are paid from the Medicaid Account (see 4402-5000 below). Since 1983, program enrollment has tripled to more than 120,000 children. House 1 supports maintenance and adds the cost of collective bargaining agreements.

Support House 1.

SAC Recommendation

Medicaid (Basic)
4402-5000

FY '88 Appropriation: $1,426,000,000*
FY '89 Request: $1,850,100,000
House 1: $1,553,620,000

*NOTE: Since the Medicaid-Mental Health Account (4402-5300) is consolidated with Medicaid-Basic in House 1, a true comparison would add $65 million to the above for a funding level of $1,491,020,200.

The Medical Assistance Program (Medicaid) is a state administered, state and federally funded medical program for financially and medically needy families and individuals. Payments are forwarded directly to health care providers.

While this is the largest single item in the state budget, more than half of the Medicaid budget is used to provide for participants who do not receive any form of cash assistance. Elderly and disabled patients account for 75 percent of all Medicaid expenditures; children and families for 25 percent. The Medicaid caseload has been expanded recently because of new federal options which extend coverage to pregnant women and children with incomes up to the poverty line. An additional 2,000 women and children will receive health care services as a result of this change. Also eligible are severely disabled children whose families will now be able to care for them at home. In FY '87, the program averaged 450,000 monthly recipients; 65 percent of these are poor children and their families.

House 1 targets $184 million in Medicaid savings, but adds $145 million to fund new initiatives. New initiatives include $100 million in increased hospital payment rates -- a key piece of the universal health care plan, $2 million for the care of severely disabled children at home, and $1 million for inpatient psychiatric care for adolescents. Some of the Medicaid savings are controversial. For example, the largest savings, projected at $55 million in nursing home expenditures, disallows the transfer of a nursing home patient's house to a relative. This has been proposed before, but never approved by the legislature. It also includes an expansion of the managed health care program (Health Choices), which would restrict some fee-for-service reimbursements and require some recipients to terminate ongoing relations with their current health care providers.

While the House 1 narrative refers to Medicaid costs as "seemingly out of control," the actual increase in this line item has been six percent less than the increase in the total state budget over the same period.

SAC supports the $2 million expansion to enable parents to care for their disabled children at home and the $1 million targeted for inpatient psychiatric services for children and adolescents.

SAC Recommendation

SAC would like to see additional expansion to cover 700 new slots for early intervention. SAC also recommends an increase of $60 million to cover deficits projected this year while continuing to support new initiatives, and opposes the cost savings mechanisms which would reduce patient choice and delay approval of hospitals for participation in the "Psych Under 21" initiative to expand adolescent psychiatric inpatient services.

The following accounts within the **Department of Public Health** fund services to children and families.

DEPARTMENT OF PUBLIC HEALTH

FY '88 Appropriation: $3,713,513
FY '89 Request: $4,095,592
House 1: $3,688,472

Environmental Health 4510-0600

The Environmental Health Program works with local, state and federal agencies to monitor environmental hazards and their impact on health. Lead paint poisoning is an important aspect of the program. In FY '87, 178,800 children were screened and over 1,000 children were confirmed as suffering from lead poisoning.

The state has had a law since 1971 requiring removal of lead from homes in which a child less than six years of age lives. However, of the 1.2 million homes with lead paint, only a few thousand have been deleaded each year. A new and stronger lead law was recently passed which calls for grants and loans to low income property owners who remove lead, screening of all children for lead poisoning, licensing and training inspectors and companies that remove lead paint and lead-contaminated soil, setting standards for lead in water and soil, providing lead poisoning information to all home buyers, and targeting funds for cities known to have serious lead poisoning problems. It is expected that a budget request will be introduced this spring to cover the cost of implementing the law as it goes into effect. There are no new funds for lead poisoning prevention in House 1.

DPH's FY '89 request annualizes the rodent control and food bourne illness programs funded in FY '88. House 1 cuts this maintenance request by over $400,000. Because of federal cuts, there are additional concerns with the adequacy of funding for the current lead poison prevention program. In FY '87, for

example, the number of children enrolled in case management increased by 1,565 for an annual caseload of 2,750; but only five cases involving crisis deleading were served.

SAC Recommendation

Increase account to agency request level and support full funding for implementation of the new lead poisoning law.

AIDS 4512-0103

FY '88 Appropriation: $7,590,692
FY '89 Request: $8,335,515
House 1: $12,502,354

The AIDS (Acquired Immune Deficiency Syndrome) Program supports research, testing and counseling services, public education activities, community health and home care services, treatment for patients in need of long term care, and efforts to prevent the spread of the disease among high risk populations.

An estimated 50,000 residents of Massachusetts are infected with the AIDS virus. Of the 1,174 AIDS cases diagnosed in Massachusetts as of December, nearly half have died. Approximately ten percent of all AIDS cases diagnosed in Massachusetts are women and children.

There are currently 27 recorded AIDS cases in Massachusetts involving children ages 13 years and under. More children are known to carry HIV (human immunodeficiency virus), the organism that causes AIDS. Officials expect 80 babies to be born HIV-infected during the next 12 months, many to IV drug users.

In response to the AIDS epidemic, Massachusetts has committed substantial resources to prevention and treatment. FY '88 expansion of $2.2 million covers among other things:

* $300,000 for community-based AIDS education and outreach targeted at high risk groups.

* $150,000 for intensive education and outreach aimed at women.

* $200,000 for expansion of the residential care program for children with AIDS at Boston City Hospital.

* $150,000 for supportive residential care for individuals with AIDS.

* $300,000 for drug treatment/methodone maintenance programs for drug users at high risk of contracting the AIDS virus.

House 1 funds annualization of FY '88 initiatives, adds a 3.8 percent COLA, transfers $800,000 for the Worcester Hepatitis B program into this account and recommends $3.5 million for expansion in the following areas:

* $2.65 million for education, outreach, counseling and testing services for IV drug users; drug treatment; and development of 20 to 30 beds in residential programs for drug users showing symptoms of AIDS.

* $425,000 to increase the number of alternative testing and counseling sites.

* $325,000 to train staff in human service agencies and develop educational material to enable them to provide education and counseling to all clients, especially women at risk for AIDS.

There are no new funds for children with AIDS.

SAC Recommendation

Preliminary data from a task force on children with AIDS has shown a need for day care and respite services for children diagnosed as having AIDS. Specialized day care providers and respite providers should be recruited, trained and funded to serve these children. SAC recommends $250,000 be added to the AIDS account for this purpose.

Alcoholism and Drug Rehabilitation 4512-0200

FY '88 Appropriation: $37,026,611
FY '89 Request: $37,348,228
House 1: $40,664,834

This account funds the Division of Alcoholism and Drug Rehabilitation. DPH funds its alcohol and drug rehabilitation programs through a combination of state and federal funds. Approximately 14 percent of DPH substance abuse programs serve youth. These services include:

* eight residential treatment centers

* eight primary prevention centers

* funding for youth seen in adult drug and alcohol programs

* early intervention and outpatient counseling.

As a result of collaboration with the Department of Youth Services, DPH is using FY '88 expansion funds for halfway houses to create a new 15-bed residential program. This program will provide case management, support services, supervision and a drug-free living situation for juvenile offenders with a history of

substance abuse. House 1 funds annualization of programs begun in FY '88, adds a 3.8 percent COLA, adds $1.2 million to develop a new treatment program for civily committed men and provides $500,000 to upgrade salaries of nurses working in publicly funded detoxification centers.

SAC Recommendation

Support House 1.

Family Health Services 4513-1000

FY '88 Appropriation: $20,125,531
FY '89 Request: $22,469,719
House 1: $20,519,132

This account funds the majority of programs within the Department's Division of Family Health Services including the Services for Handicapped Children (SHC) and Maternal and Child Health (MCH) Programs. These programs are funded by federal block grants and state funding initiatives.

The SHC Program provides therapeutic and preventive services to handicapped children and their families in an integrated and coordinated fashion through six regional and five non-regional clinics, a regionally based case management services unit and a community services unit. Community services include the Medical Review Team, in-home health care, camperships, pediatric nursing homes, adaptive housing services and three community-based residential programs for multiply handicapped children. The Early Childhood Development Unit provides early intervention programs, developmental day, and integrated preschool programs.

The MCH Program focuses on preventing health problems and providing primary health care services to low income mothers, children and adolescents. These services include prenatal programs, preschool and school health programs, and a wide range of prevention programs.

In FY '88, two expansion items totaling $120,000 were added but with only $60,000 of the needed funding: suicide prevention ($20,000) and a women's occupational health and safety project ($100,000). In the past, any shortfalls in this account have been made up by federal funds that were carried forward from year to year. There are no additional federal funds available this year. In fact, the family health services account is in deficit a total of $2.2 million this year: $633,000 for programs DPH has been asked to fund without an increase in resources; and $704,389 for new expenditures the Department cannot control, such as absorption of collective bargaining for federally funded positions and an increase of the fringe benefit rate to 30 percent of the federal block grant.

DPH will request a supplemental budget to make up the FY '88 deficit and is including these costs in their FY '89 budget request.

House 1 makes significant reductions in maintenance and cuts $300,000 from the handicapped clinic budget and $200,000 from the home health program. The Tay-Sachs (4513-1007) and post-polio (4513-1009) programs funded at $135,000 are moved into the family health services account. With a 3.8 percent COLA and funds needed for collective bargaining agreements, this account is short $2.7 million for FY '89.

Program cuts and layoffs are projected this year, and advocates are already concerned about the programs funded through this account. In addition to maintenance of existing programs, advocates were looking for expansion in comprehensive adolescent health services and community based initiatives to reduce low birthweight and infant mortality.

* **Adolescent Health:** An expansion of $2 million will fund twenty additional projects to develop and implement model comprehensive adolescent health services including school-based health clinics. These model programs have been very effective in providing health and nutrition services to a very underserved population.

* **Infant Mortality:** Support for community coalitions working to reduce infant mortality was provided in FY '86 and FY '87 but is no longer available. The new models for service delivery recommended by the 1985 Task Force on Prevention of Low Birthweight and Infant Mortality have not been funded. An expansion of $1 million will provide staff support for up to ten coalitions, allow implementation of coalition recommendations in up to ten communities, and provide $500,000 for innovative models to ensure access and deliver comprehensive care in five to ten communities. A significant percent of these funds should be targeted to reduce the infant mortality rate among Black and other minority infants.

SAC Recommendation

SAC recommends an increase of $7.079 million to fund:

* maintenance of existing programs ($2.7 million),
* expansion of comprehensive health services to adolescents ($2 million),
* expansion of services to prevent infant mortality ($1 million),
* expansion of services to disabled children --
  * $600,000 for early intervention,
  * $379,000 for developmental day care, and
  * $400,000 for community services to multiply handicapped children.

Office of Nutritional Services 4513-1002

FY '88 Appropriation: $8,988,626
FY '89 Request: $9,156,870
House 1: $9,019,229

Three programs are included in this account: WIC (Women, Infants and Children) Program, the Office of Nutrition, and 07 contracted services for children who fail to thrive. In FY '88, WIC is allocated $8,084,278; Office of Nutrition is allocated $362,348 and Failure-to-Thrive $542,000.

* **WIC:** The Massachusetts WIC Program provides specific foods and nutrition counseling to pregnant, breast-feeding, and postpartum women and to children under five years of age who are at nutritional risk. It provides an individualized nutrition care plan for each participant, including food vouchers, nutrition education, and referrals to primary health care services.

  Current federal and state funding serves approximately 69,000 out of an estimated 148,057 eligible women and children in Massachusetts. FY '88 expansion would extend the program to 1,300 new recipients.

  Advocates are recommending $2.5 million to increase the number served to 80,000 based on an estimate of $520 per person per year.

* **Office of Nutrition:** The Office of Nutrition received $200,000 in FY '88 for nutrition outreach which it has been unable to spend, in part because of restrictive budget language. The program should be refunded, but the restriction to "a single agency or institution" removed.

* **Failure-to-Thrive:** Established in FY '84 as part of the response to the **1983 Massachusetts Nutrition Survey,** these programs provide specialized multi-disciplinary diagnosis and treatment to children who are severely underweight. Last year, the seven programs serviced 293 new cases with 486 active cases. The FY '88 expansion of $75,000 supports better program coordination and some staff increases. Waiting lists vary with up to a two-month wait at Boston City Hospital, the largest of these programs.

House 1 includes costs for collective bargaining, COLA and a slightly reduced maintenance estimate.

SAC Recommendation

Add $2.5 million for WIC plus $200,000 for Failure-to-Thrive to House 1.

FY '88 Appropriation: $6,658,376
FY '89 Request: $11,129,358
House 1: $10,775,487

Healthy Start
4513-1005

The Healthy Start Program provides prenatal coverage to low income women with no other health coverage. In FY '88, the cost of inpatient services are moved from Healthy Start to the Hospital Free Care Pool. A number of important expansions are adopted including an increase in the income eligibility to 200 percent of the poverty line, the addition of an ambulatory newborn visit, and provision of medical care necessary to maintain health during pregnancy. With more women eligible for Medicaid, DPH expects there will be 5,600 women participating in Healthy Start this year.

Not all necessary funding is included in FY '88. An estimated $4.2 million is needed; a $2.7 million supplementary budget is being submitted.

House 1 funds Healthy Start at about $350,000 less than needed to support the full program. Advocates are recommending a $14 million appropriation for FY '89. The new federal law which increases Medicaid eligibility to 185 percent of the poverty line may affect the total amount needed.

Support a $14 million appropriation.

SAC Recommendation

CHILDREN'S MENTAL HEALTH SERVICES

In March of 1986, the Department of Mental Health's (DMH) Division of Child and Adolescent Services drafted a three-year plan for mental health services to children. Although the plan, **A Report on Mental Health Services for Children and Adolescents,** was drafted largely in response to Executive Order 244, it explores more than services to those adolescents placed on adult state hospital wards and establishes a continuum of care for emotionally disturbed and mentally ill children. DMH estimates that 190,000 Massachusetts children under the age of 22 are at risk or in need of mental health services. Currently, DMH serves an estimated 21,000 children.

DMH PLAN

Through the current fiscal year expansions, DMH has been able to implement many of the inpatient and intensive residential services called for in its three-year plan. However, there are serious short falls in community-based residential programs and preventive services. Over 100 children are on waiting lists for community residences. These program gaps are of particular concern to members of the Task Force on Mental Health Services for Children and Youth who support the DMH plan and have consistently advocated for community-based mental health services for children.

If one subtracts the services already funded and the amount which will be reimbursed by Medicaid, funding of $19.72 million is needed to complete the DMH plan.

The chart below outlines what has and has not been implemented:

DMH PLAN FOR CHILDREN'S SERVICES

Type of Service	Services Proposed	Services Funded	3 Year Annualized Cost
Inpatient			
Acute Care	35 beds	30 beds	$ 2.8 mil
Intermediate Long Term Care	40 beds	15 beds	$ 3.1 mil
Emotionally Disturbed/ Mentally Retarded	30 beds	15 beds	$ 2.8 mil
Deaf	10 beds	0	Hosp. Mgmt.
Residential			
Intensive Residential Treatment Programs	14 beds	14 beds	$ .8 mil
Residential I & II	200 beds	25 beds	$ 8.5 mil
Congregate Housing	50 beds	0	$ .5 mil
Day Treatment			
General & Chronic	220 slots	10 slots	$ 3.5 mil
Emergency Services			
Crisis Diversion Beds	75 beds	14 beds	$ 3.1 mil
Specialized Staff	17 areas	2 areas	$ 2.4 mil
High Risk Pool			
Individual P.O.S.	$1 million	$0 expansion	$ 1 mil
Training	$.05 million	$0	$ .05 mil
TOTAL			$ 28.2 mil

Also projected by DMH is a plan to increase the number of psychiatric hospital beds for adolescents and children. The Department's projections are based on a Public Health Council bed need formula. Implementation of the plan relies in part on negotiating agreements with private psychiatric hospitals to accept Medicaid. So far, four hospitals have signed onto the "Psych Under 21" initiative. Others have indicated an interest. If the expansion of private beds and the development of new beds through the DON (Determination of Need) process stays on schedule, there should be sufficient psychiatric hospital beds for children and adolescents by 1990. Any slow down in Medicaid payments or Medicaid approval will adversely affect the rate of this expansion.

"PSYCH UNDER 21"

SAC is also concerned with the change in eligibility for DMH child and adolescent services. The age range to be served had been defined by Executive Order 244. That order prohibits placement on adult state hospital wards of youth under 19 years of age, as well as certain adult youth ages 19 through 21 years who were served under the state's Special Education Law. DMH is proposing eligibility through age 18 years with a plan to transition currently served older adolescents into adult services. Although advocates generally agree that special transitional services are needed for young adults between ages 19 and 25 years, and an Executive Office of Human Services (EOHS) Task Force is making recommendations for serving these young adults, no funds are included in House 1.

CHILD AND ADOLESCENT SERVICES

In addition to DMH, the Departments of Social Services (DSS) and Youth Services (DYS) provide mental health services to children in their care.

OTHER SERVICES

In response to a demonstrated need for short-term secure assessment and treatment centers for troubled adolescents, DSS developed five 90-day adolescent assessment centers. The first program opened in the spring of 1985. Two programs are coeducational, two are for girls only, and one is for boys. Adolescents in these programs are described as having histories of truancy, school problems, sexual abuse, aggression, depression, attempted suicide, previous placements or program failures. Usually court involved, these adolescents have frequently been involved with one or more state agencies. There are long waiting lists for these programs. In addition to program expansion, DSS is recommending the creation of long-term secure treatment programs for adolescents who have completed the 90-day assessment, but are considered too difficult for most DSS-funded programs.

DEPARTMENT OF SOCIAL SERVICES

DSS also funds counseling services through the Regional Direct Services account (4800-0200). In FY '87, DSS funded 383 contracts amounting to $21.4 million for counseling services. Currently DSS also pays for private inpatient psychiatric services for children in DSS care or custody if private insurance is not available, there are no medicaid-funded beds available, and no openings exist in DMH acute units. Beginning in July of 1988, DMH will assume responsibility for all psychiatric hospitalizations for children and adolescents in DSS care.

DEPARTMENT OF YOUTH SERVICES

Supporting a 1987 DYS report to the Commissioner outlining the need for specialized programs for juvenile sex offenders, House 1 recommends $500,000 to improve services for juvenile sex offenders. The recommendation includes specialized case management teams and flexible residential placements.

DEPARTMENT OF PUBLIC WELFARE

The following line items within the **Department of Public Welfare** (DPW) fund children's mental health services:

Medicaid (Basic) 4402-5000

FY '88 Appropriation: $1,426,000,000*
FY '89 Agency Request: $1,850,100,000*
House 1: $1,553,620,000

*NOTE: In FY '88, the final budget divided Medicaid into 11 accounts, such as Community Health Centers, Home Health Care, and Acute Hospital In-Patient. The DPW request retained that structure. These figures represent the combined amounts for the 11 accounts.

House 1 targets $1 million for inpatient psychiatric services for children. DMH and DPW have been working together to develop agreements with private psychiatric hospitals. Under these agreements, the private facilities agree to accept Medicaid funding as a part of the "Psych Under 21" initiative which is intended to increase the supply of child and adolescent inpatient psychiatric beds. Four hospitals have finalized agreements and other private hospitals have expressed an interest. SAC is concerned, however, that the pressure to identify savings in the Medicaid account may jeopardize this effort. Some providers' bills have not been paid in months.

SAC Recommendation

See 4402-5000 in Child Health and Nutrition chapter.

FY '88 Appropriation: $65,020,200
FY '89 Agency Request: $71,681,000
House 1: $0

Medicaid for Mentally Ill and Retarded 4402-5300

House 1 moves this account to the line item 4402-5000. See chapter on Disabled Children for a complete description of this account.

The following account within the **Department of Social Services** (DSS) funds programs for children's mental health services.

DEPARTMENT OF SOCIAL SERVICES

FY '88 Appropriation: $2,350,000
FY '89 Agency Request: $2,633,224
House 1: $2,781,160

Adolescent Assessment and Treatment 4800-0023

This accounts funds the five small, four to seven bed, short-term residential diagnostic and treatment centers for troubled adolescents. These programs are secure and serve over 100 adolescents annually. As of January 15, 1988, there were 87 adolescents waiting for placement in these programs. In a recently issued report, **The Adolescent Assessment Centers - Results of an Evaluation,** DSS recommended the following expansion in residential and non-residential services to serve the most troubled adolescents, many of whom are CHINS (Children in Need of Services):

Residential

* 90 day assessment	55 beds
* staff secure residential	25 beds
* other community based residential programs	95 beds
* emergency stabilization	30 beds
* specialized foster homes/intensive support	25 beds
TOTAL	230 beds

Non-residential

* Home-based intensive support 60 slots

Included in House 1 is a proposal for $875,000 to fund 31 additional adolescent assessment center placements.

SAC Recommendation

SAC supports the funding for 31 new beds in adolescent assessment centers and recommends increasing this account by $3 million over House 1 to fund implementation of some of the program expansion recommended in the DSS adolescent assessment center study.

DEPARTMENT OF MENTAL HEALTH

The following accounts within the **Department of Mental Health** (DMH) fund children's mental health services.

Adult Mental Health Services 5046-0000

FY '88 Appropriation: $114,356,314
FY '89 Agency Request: $127,493,493
House 1: $143,540,573

This account funds residential programs, outpatient services and home support in all districts except those services offered by state-funded community mental health centers.

House 1 fully annualizes new programs begun in FY '88 and includes $9.8 million for the third year of expansion under the Governor's special message on the chronically mentally ill. A total of $4.9 million will provide residential services for 500 clients (another $660,000 is in the state hospitals account, 5095-0000, for on-campus housing); and $1.7 million will provide day and vocational services for those residential clients. Two other expansions described in the House 1 narrative will complete special message priorities: a $1.9 million expansion will complete the network of emergency services statewide; and $1.35 million will complete the case management system with the addition of 106 case managers.

House 1 does not fund advocate priorities beyond special message expansion. At least $5 million is needed to cover services for clients ages 19 to 22 years who will no longer be served by the DMH Children's Division (5047-0000).

SAC Recommendation

SAC recommends the increase of this account by $5 million over House 1 to cover services for clients ages 19 to 22 years who are no longer served by the DMH Children's Division.

Child/Adolescent Mental Health Services 5047-0000

FY '88 Appropriation: $41,869,920
FY '89 Agency Request: $44,383,151
House 1: $47,786,361

This account funds all inpatient and community-based mental health services for children and youth.

House 1 includes annualization of FY '88 expansion ($2.7 million), plus a provider COLA ($1.5 million) and collective bargaining costs ($224,000). The only true expansion is $540,000 (half-year funding) for 18 community residential services slots to relieve persistent overcrowding at the Gaebler Children's Center.

This expansion level is of serious concern to advocates. While FY '88 expansion enabled DMH to implement many of the inpatient and intensive residential services called for in its three-year plan for mental health services to children, almost $20 million is needed to complete the plan. Advocates see a need for further expansion of residential and day services, as well as crisis intervention, beyond that necessary to close adult wards to children.

* Only 18 of 40 areas have crisis intervention programs for children and adolescents. An increase of $2.4 million will fund 50 beds in six to eight new programs and expand capacity in non-residential crisis services. This will reduce hospitalizations by 20 to 25 percent.

* Community residential aftercare services are seriously underfunded. There are over 100 clients waiting for placements in residential programs, and a majority of the clients ready for discharge from IRTPs will need community residential placements. An increase of $1.9 million will fund 38 beds in community-based programs.

* The Individual Service Fund needs expansion by at least $2.5 million to serve the 80-85 children who are in need of emergency hospitalization and residential treatment programs, where there are no DMH programs available.

* Presently there are only 170 day treatment slots statewide for children and adolescents. An expansion of $500,000 will fund 33 day treatment slots.

Advocates estimate $7.3 million in additional funding is needed to continue implementation of the three-year plan and prevent the undermining of efforts to keep children off adult state hospital wards.

DMH's Children's Division is also changing eligibility, reducing the maximum age of its clientele from 22 to 18 years of age. House 1 proposes a change in "kids off adult wards" outside budget language, removing special needs clients ages 19 to 22 years from those prohibited on adult mental wards. New language simply says that for clients ages 19 to 22 years "the department shall consider the age and service needs of the individual to be placed in the placement determination." There is no additional money in the Adult Mental Health Account (5046-0000) specifically earmarked to serve these additional young people.

House 1 also includes $700,000 transferred from DSS to pay for the placement of children in private psychiatric facilities. Currently, DMH's Children's Division screens DSS clients thought to need psychiatric hospitalization, but DSS makes the placements and pays the bills. With this transfer of funds, DMH will take on full responsibility for these referrals.

SAC Recommendation

SAC recommends an increase of $7.3 million over House 1 to increase mental health services to children and adolescents. SAC further recommends the following specific levels of funding:

- 50 crisis intervention beds ($2.4 million),
- 38 community residential aftercare beds ($1.9 million),
- increased individual service funds ($2.5 million), and
- 33 day treatment slots ($500,000).

JUVENILE JUSTICE

The responsibility for providing services, care and protection for children who are runaways or charged as delinquent is shared by the judicial system and human service agencies.

Human service agencies provide assessments, detention, and a total range of services to children referred or committed to them by the courts. The Department of Mental Health (DMH) funds specialized staff for court clinics. The Department of Social Services (DSS) provides comprehensive services to children designated by the courts as "Children in Need of Services" (CHINS). The Department of Youth Services (DYS) provides detention for children awaiting trial, as well as comprehensive services to children referred or judged to be delinquent by a Juvenile or District Court.

Prior to FY '88, only the Boston Juvenile Court, the Springfield Court and the Roxbury District Court had clinical staff who specialize in serving adolescents. The FY '88 expansion in DMH forensic services added adolescent specialists to serve Fall River, Essex Regional Juvenile Probation, North Worcester, South Worcester, and Western Massachusetts Regional Juvenile Probation departments. Expertise in adolescent service is still needed across the state, especially in Worcester.

IDENTIFIED NEEDS

DYS is responsible for an average daily population of 1,700 youths committed for treatment and 150 youths detained pending court action. The number of youths detained and committed by the court has increased dramatically in the past few years. DYS is particularly concerned about the lack of appropriate resources for a growing number of substance abusers, assaultive juveniles, minority and inner city youth and juvenile sex offenders committed by the courts.

Despite expansion in the DYS detention system, there are still insufficient resources to serve both the adolescents who are committed to DYS and waiting for residential placements and those who are awaiting trial. Many of these adolescents are runaways who are before the courts on CHINS petitions and placed in detention by judges who are concerned about their safety. In 1987, almost 300 youth were sent home inappropriately to make room for new admissions into detention.

From 1984 to 1986 the number of assaultive sex offenders committed to DYS increased by 23 percent. There are currently 101 juvenile sex offenders in the DYS caseload. DYS has added six offense-specific treatment programs in its secure facilities, but needs additional program resources to adequately serve this population in non-secure settings. It is estimated that DYS would need an additional $200,000 to:

* identify and access treatment for juvenile sex offenders;

* train DYS caseworkers to identify and recognize the needs of juvenile sex offenders;

* pilot specialized treatment programs in DYS group care facilities; and

* hire a coordinator to insure that there is a continuum of treatment services for juvenile sex offenders.

House I recommends $500,000 in expansion specifically targeted for adolescent sexual offenders. This funding will allow DYS to create four specialized case management teams, along with a limited number of flexible residential placements, to treat these youth. Under this model, caseworkers in the team will follow youth through secure treatment, non-secure residential care, and aftercare tracking, providing intensive counseling and helping the juvenile to develop and maintain family, school, and community supports.

Additional resources are also needed to serve Metropolitan Boston youth. In the last four years, commitments in Metropolitan Boston have increased by 39 percent. Of the region's caseload, 72 percent is Black or Hispanic. DYS program resources have not been sufficient to meet the needs of this population. A DYS planning committee estimates that $1.55 million is needed to purchase an additional 59 community residential treatment placements and additional non-residential services for 25 youth. Also proposed are two structured 12-14 bed residential units, at least one of which will be culturally based to serve the needs of minority youth. House 1 recommends $865,000 for additional programs in Metropolitan Boston as well as $75,000 for six detention intervention workers and $312,500 for 25 additional staff in contracted group care programs.

Additional resources are also needed to serve pregnant and parenting teenagers and to provide health services to adolescents who are sexually active, substance abusing and medically neglected. Of young women committed to DYS, ten percent are pregnant or single parents. No new resources are recommended in House 1 for young women.

DEPARTMENT OF YOUTH SERVICES

The following **Department of Youth Services** (DYS) accounts fund human services to court involved children and adolescents. Services to CHINS youth are included under **Child and Family Support Services.**

FY '88 Appropriation: $29,089,489
Agency Request: $30,153,670
House 1: $34,760,170

Residential Services 4202-0021

The Residential Services account contains funds used to purchase residential and non-residential services including group care, foster care, non-secure detention, counseling and other support services. Programs begun in FY '88 are annualized: 14 group care beds for Metropolitan Boston; 12 beds for newly committed youth in Western Massachusetts; a new transition program for juveniles leaving secure treatment; upgrading of detention beds to a more secure level; and funding for foster care to upgrade the foster care rate and provide additional funding for special expenses. A total of $2.1 million is transferred from the Consolidated Secure Facilities account. House 1 recommends considerable expansion including initiatives targeting juvenile sex offenders:

* $865,000 for additional residential and day capacity in Metropolitan Boston;

* $312,500 for 25 additional staff in contracted group care programs to improve supervision and increase clinical capacity;

* $130,000 for flexible residential placements for juvenile sex offenders;

* $1.2 million for a 3.8 percent cost-of-living increase for non-profit providers.

Support House 1.

SAC Recommendation

FY '88 Appropriation: $5,947,000
Agency Request: $6,160,355
House 1: $6,465,001

Community Based Treatment Units 4237-1010

The Community Based Treatment account supports the staffing and operation of DYS regional offices and funds some community-based emergency services. DYS projects a need for additional staff to act as court liaisons and for specialists to serve juvenile sex offenders. House 1 recommends an additional $370,000 for consultation and specialized case management teams to improve services to juvenile sex offenders. An additional $75,000 is recommended to fund six detention

intervention workers, to ensure admissions to detention are appropriate, and to expedite adjudication of cases of youth waiting in detention.

SAC Recommendation

Support House 1.

Consolidated Secure Facilities 4238-1010

FY '88 Appropriation: $13,088,000
Agency Request: $13,941,162
House 1: $11,246,018

This account supports detention, treatment and shelter programs operated by the Department and includes the Stephen L. French Forestry Camp. In FY '88, 314 slots were funded. It is estimated that an additional 20 slots will be funded in FY '89. It is projected that funds may not be sufficient to cover cost of inflation. House 1 funds maintenance and transfers $2,136,862 for three residential programs from this account into the residential services account.

SAC Recommendation

SAC recommends an increase of $500,000 to cover the cost of inflation and maintain existing programs.

DEPARTMENT OF MENTAL HEALTH

The following account in the **Department of Mental Health** (DMH) funds services to court involved children and adolescents.

Forensic Mental Health 5049-0000

FY '88 Appropriation: $5,714,638
Agency Request: $6,299,729
House 1: $8,081,133

This account funds mental health services to court referred or committed persons, some of whom are children. The Governor's recommendation annualizes the new court clinic services funded in FY '88. It is estimated that an additional $350,000 will be needed over the next two years to provide specialized court clinic services to adolescents statewide.

SAC Recommendation

SAC recommends an increase of $175,000 to expand services to Worcester and two other courts in FY '89.

EDUCATION: CHAPTER 188 AND RELATED PROGRAMS

FY '88 marks the third year since passage of the Education Reform Act of 1985, Chapter 188. The emphasis of the reforms brought about by the new law have been on increasing the educational resources of school districts in the form of additional personnel, improved professional development for teachers and administrators, new and improved instructional materials, and increased cooperation between local educational authorities, parents, and other members of the community. The grant programs established by Chapter 188 have attempted to restore local programs which were eliminated by Proposition 2½. In addition, they have provided additional funds to school districts which have fewer fiscal resources to spend per pupil than the state average, increased the salaries of teachers in communities across the state, and provided individual schools with additional resources to establish programming tailored to meet their own needs.

INITIATIVES AND IMPROVEMENTS

In FY '89, continued improvements in the education system in Massachusetts will remain a major focus of state officials. The Department of Education's (DOE) primary goal in FY '89 is to focus on strengthening equal educational opportunity. At the end of the 1987 legislative session, Governor Dukakis signed into law a bill which expands many of the Chapter 188 initiatives. The new amendments to Chapter 188 empower DOE to provide additional resources to school districts and individual schools which have demonstrated that their students need extra assistance to succeed academically. Efforts will be mounted at these "most-at-risk" schools to mobilize parents, human service agencies, and the local business community to work with educators on designing programs that meet the needs of students at individual schools. Implementation of these new aspects of the education reform programs will be an important initiative in FY '89.

CHAPTER 188 IMPACT

There is some information available to begin to assess the impact of Chapter 188 since its passage three years ago. The state has implemented the first several rounds of standardized tests of students in elementary, middle, and high schools. These tests assess basic skills levels. Conducted in the fall of 1986 and 1987, the first rounds of basic skills tests were used to identify students needing remedial instruction and to assess weaknesses in math, reading, and writing instruction. A second set of the first round of tests to assess the effectiveness of school curricula were administered in the spring of 1986 and will be repeated in the spring of 1988.

Results available from the first rounds of each set of tests confirmed that school districts which were able to expend greater resources per pupil than the state average have higher test scores than those districts with less to spend. For example, students in the Boston Public Schools scored eight to ten

percentage points lower than the statewide average on the first round of basic skills tests. Second round scores released in February, 1988, showed improvement, but confirmed the same trend. Other older urban systems achieved similar results. Further, in many of those same communities the student dropout rate is about twice the statewide average, running in the 30 to 40 percent range.

This information makes it clear that additional resources must be made available to those school districts which demonstrate poor academic performance. Further, the testing programs will allow officials to identify those schools which are most in need of additional assistance, where students' performance and the dropout rate is worse within a given school system and at individual schools. The additional funds which will be made available through the 1987 amendments to Chapter 188 programs will be sent to schools judged "most-at-risk" according to identified performance criteria.

LINKING SCHOOLS AND THE COMMUNITY

Another outstanding need in the state's education system is to further strengthen the linkages between the schools and the rest of the community. Most of the Chapter 188 programs require that school systems seek advice from community-based agencies in planning and implementing their program activities. Comprehensive responses to the needs of students at risk of poor academic performance and dropout require that schools work with human service agencies, businesses and parents to plan a strategy that involves a commitment on the part of the whole community.

The schools cannot achieve full success on their own. For example, the majority of young women who become parents while in high school drop out of school. Students with substance abuse problems experience poor academic achievement levels and drop out in higher numbers than non-abusing peers. Educators cannot solve the problems faced by today's students without community support. In recognition of this, new amendments to Chapter 188 strengthen the role of community agencies and parents in implementing these programs. It is up to participants at the local level to make sure that these opportunities to work together are fully utilized.

JUDGING EDUCATIONAL POLICY

A final area of need is additional information about both the success of programs and the academic performance of students in Massachusetts. In an analysis of Chapter 188 programs implemented in FY '87, ABT Associates of Cambridge recommended that DOE receive additional resources to compile data about the success of Chapter 188 programs. This information is crucial to judging the overall impact of education policy in Massachusetts. Annual tracking of dropout rates, academic performance levels, student to teacher and guidance counselor ratios, and other criteria are an essential component of a system which will continuously identify the strengths and

weaknesses of public education in Massachusetts after the special programs initiated through Chapter 188 expire in coming years.

DEPARTMENT OF EDUCATION

The following accounts in the **Department of Education** provide funding to Chapter 188 and related programs. These programs form the vanguard of the Massachusetts education reform strategy:

Essential Skills 7030-2000

FY '88 Appropriation: $10,320,000
Agency Request: $10,320,000
House 1: $10,250,000

This account funds two discretionary grant programs--remedial education programs for grades one through nine and dropout prevention programs for grades seven through 12. Of these funds, 75 percent are for remedial programs and 25 percent for dropout prevention. Remedial programs consist of instruction in math, science, and reading for students who tested poorly in those subjects, as well as in-service training for classroom teachers. Dropout prevention programs include individualized counseling for students who are likely to fail or drop out. The FY '89 Board of Education budget request stated that dropout prevention programs required an additional $2,550,000 in FY '89 to meet requests from eligible school districts. The program has essentially been level funded since its inception. House 1 did not support the Board of Education's request.

SAC Recommendation

SAC recommends an appropriation of $12.5 million in this account to support expansion of dropout prevention programs to all eligible communities.

Commonwealth Futures 7030-2001

FY '88 Appropriation: $1,000,000
Agency Request: $1,000,000
House 1: $1,785,500

Commonwealth Futures is one of the programs initiated in FY '87 as part of the Governor's initiatives to remove the barriers to opportunity. It is a competitive grant program intended to assist those school districts with large numbers of students judged at risk of academic failure in planning and implementing a comprehensive response to the problems faced

by those students. Rather than provide direct services, the program provides communities with assistance in the form of planning staff and technical assistance to identify and pull together resources and funding already available to the community. At the state level, the program is working to simplify the application process for many of the state and federal grant programs which are designed to address the problems of at risk youth. In FY '88, 12 communities are receiving funding -- six for planning and six for implementation. The House 1 request would allow funding for six new programs and expansion in the current program.

SAC Recommendation

Support House 1 request.

Comprehensive Health Education 7032-0500

FY '88 Appropriation: $1,500,000
Agency Request: $1,500,000
House 1: $1,500,000

This is a discretionary grant program which provides communities with funds to establish in the public schools health-related programs which address teen pregnancy, substance abuse, violence, emotional problems, and other health issues which affect school performance. In FY '88, 30 communities received implementation funding, after receiving planning grants in FY '87. The program has not accepted new applications since its inception, due to lack of funding. The Board of Education's budget narrative identifies the program as a key component of its strategy to create equal educational opportunity across the Commonwealth. It recommends $3 million in additional funding.

SAC Recommendation

SAC supports the language in the Board of Education's request to expand this program to all eligible communities by appropriating a total of $4.5 million.

School Transportation 7035-0004

FY '88 Appropriation: $60,922,572
Agency Request: $64,924,160
House 1: $64,924,160

House 1 increases the funding in this account by $4 million in order to provide school districts with 60 percent of the increased costs incurred from the implementation of the school-age transportation law passed in 1987. Otherwise, this account is level funded. Reportedly, many communities are experiencing increased difficulties paying for transportation costs, especially those implementing desegregation plans.

Support House 1.

SAC Recommendation

FY '88 Appropriation: $81,000,000
Agency Request: $111,000,000
House 1: $114,088,739

Equal Education Opportunity 7061-1000

This program is the centerpiece of the state's response to education reform. It was originally intended to provide additional assistance to school districts which spend less than the state average cost per pupil on public education. Funds from the program are expended primarily to hire additional staff and purchase instructional materials, activities that suffered most from the passage of Proposition 2½. In conjunction with the education reform amendments of 1987, new funds proposed for FY '89 will go to school districts and to individual schools which are found to be "most-at-risk". This change in the criteria, from past expenditure to actual academic performance, is intended to increase the resources available to educators who are working with the students who need the most help. Particular targets will be schools with large numbers of low income and minority students.

Support House 1.

SAC Recommendation

FY '88 Appropriation: $8,300,000
Agency Request: $8,100,000
House 1: $8,100,000

School Improvement Councils 7061-4000

School Improvement Councils (SICs) are school-based advisory councils authorized to expend funds to create alternative innovative education programs designed in response to the need of students, teachers, parents, and the community surrounding a given school. Funded at $10 per pupil in past years, the 1987 statutory amendments to Chapter 188 raised the amount to $15 per pupil. In the past, the Councils have funded such programs as chapters of Students Against Drunk Driving, absenteeism programs, and innovative science and computer projects. Also in conjunction with the 1987 initiative, Councils at the schools judged "most-at-risk" will be expanded to include representation from human service agencies and business.

Appropriate funds to increase funding to $15/pupil, a total appropriation of $12 million.

SAC Recommendation

Horace Mann Grants 7061-5000	FY '88 Appropriation: $7,440,000 Agency Request: $7,619,146 House 1: $7,619,146

Horace Mann teachers' grants are provided to school districts for teachers who take on increased responsibilities and new roles. Funding for FY '89 is recommended to increase in conjunction with the 1987 statutory amendments to Chapter 188 and the increases in the teaching force across the state.

SAC Recommendation

Support House 1.

SPECIAL EDUCATION

Massachusetts has been a leader in the movement to provide educational services to disabled children and young adults since 1972, when it became the first state to pass a special education law. Chapter 766, which applies to children from three to 22 years of age, emphasizes maximum possible development in the least restrictive setting by providing those services described in a student's Individual Education Plan. Special education services may range from support services in a regular classroom to placement in a residential school program.

In FY '87, 162,000 students received special education services through their local public school system. Most special education services are provided in a public school setting; less than four percent of special education placements are in private day or residential schools. Although just under 50 percent of the costs of special education are reimbursed through Chapter 70 local aid, local schools are increasingly concerned with a reimbursement system which requires "up front" payment for private placements out of the school budget with reimbursement the following year to the general fund of the city or town.

PRIVATE RESIDENTIAL PLACEMENTS

The costs of private residential placements have increased dramatically in the past few years with increases over 60 percent projected between FY '87 and FY '89. In response to concern by local schools over the increasing costs, the Department of Education (DOE) now pays 60 percent of the residential school cost directly to the provider (7061-0012). If the current legislative effort (Senate 222) is successful, the Department will fund up to 90 percent in certain cases.

LOW INCIDENCE SPECIAL NEEDS

The Department of Education, responding to concern by advocates over the lack of appropriate programs for low incidence special needs students, is using federal funds to encourage local schools to develop programs which integrate special needs and non-special needs students. Planning, program development and evaluation grants for children who have autism, are deaf/emotionally disturbed or have been head injured are projected for FY '88 through FY '90. If House 95 passes, $1.5 million in additional funds will be needed in DOE account 7028-0101 to develop better integrated special education programs in local schools.

DEPARTMENT OF EDUCATION

The following accounts in the **Department of Education** provide funding to support special education programs. The Governor's budget increases funding for special education but questions whether "fiscal incentives at the local level may be contrary to the expressed programmatic goal of providing special education services in the least segregated setting possible."

Local Education Authority Incentive Grants 7028-0101

FY '88 Appropriation: $628,622
FY '89 Request: $1,561,771
House 1: $1,100,000

This account pays for the development of programs for children who return to their communities from institutional settings. The number of children eligible for these grants has decreased because children are no longer being admitted to state hospitals and state schools, and those already under treatment are growing older. Last year, 68 school systems received funds to deinstitutionalize these children. In FY '88, approximately $1.5 million is available. This amount includes a $900,000 carryover from previous years. House 1 maintains the current program level without new program development monies. SAC recommends funding program development for low-incidence special needs children through this account.

SAC Recommendation

SAC recommends funding at $2.5 million to include $1.5 million in new program development funds for low incidence populations.

Non-Educational Residential Cost (60/40) 7061-0012

FY '88 Appropriation: $9,650,080
FY '89 Request: $11,500,000
House 1: $16,000,000

Designed to reduce the burden for funding the residential portion of costly private residential schools, this account is in deficit in FY '88. The number of children served through this account increased from 495 in FY '87 to a projected 539 in FY '88, while individual program costs increased by as much as ten to 30 percent. DOE projects FY '88 costs at $14.5 million. House 1 includes sufficient funds to cover increased program costs and a projected nine percent increase in enrollment.

SAC Recommendation

Support House 1.

DISABLED CHILDREN

Children who are disabled, multiply handicapped, autistic or mentally retarded are served by a number of state agencies. As Children with special needs, they receive special education services from local schools under Chapter 766, Massachusetts' Special Education Law. For other services, children may be served by one or more human service agencies, depending on their diagnosis or service needs.

State agencies provide home-based support services in addition to out-of-home care. The Department of Social Services (DSS), the Massachusetts Rehabilitation Commission (MRC), the Massachusetts Commission for the Blind (MCB), the Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH), the Department of Public Health (DPH), the Department of Public Welfare (DPW), the Department of Mental Health (DMH), and the newly created Department of Mental Retardation (DMR) all serve disabled children.

In addition, the Executive Office of Human Services (EOHS) through the Bureau of Transitional Planning (BTP) ensures that children previously served through Chapter 766 are assigned a human services agency to plan for ongoing services once they turn 22 years of age. DMH, DMR, MRC and MCB fund "Turning 22 Services" and work with the BTP.

SERVICES EXPANDED

While services have been expanded annually to young people turning 22, there are still long waiting lists, especially in DMR. House 1 provides for expansion of services to these young people.

Since the "Turning 22" legislation was signed in 1983, a total of 2,146 clients have been referred to DMR's Turning 22 Program, and 1,774 clients will be receiving day or residential services from DMR by the end of FY '88.

During FY '88, the Department has developed substantial new programming for 160 of the most severely disabled clients turning 22 who are graduating from special education settings and will continue to require services. The Governor's FY '89 recommendation includes the additional $3.15 million needed to fully fund services to these clients, as well as $5.3 million to serve an additional 275 seriously impaired clients who will turn 22 during FY '89. Without continued services, many of these young adults would lose the skills they acquired in Chapter 766 special education programs, and require far more expensive intervention in the future.

The creation of the new Department of Mental Retardation in FY '87 offered a unique opportunity to increase services to disabled children. New resources are now available to mentally retarded and developmentally disabled children, and a plan has been submitted to the Special Commission on the DMH Split to provide a continuum of services to children and adolescents with special emphasis on support services to families.

These services are intended to complement those currently available to meet the educational needs of children specified in the Chapter 766 mandate. For example, many families with both parents working or those with a single parent, lack access to a school-age program that will care for a mentally retarded child. The array of services summarized below is crucial to enable the families of many retarded children to maintain a reasonable quality of life while keeping their child at home.

DMR 3-YEAR PLAN FOR CHILDREN'S SERVICES

DESCRIPTION	ANNUALIZED COST IN MILLIONS
Local case managers in DMR Area Offices	$.68
Individual Services Fund - 24 additional clients per year (FY's '89, 90, 91)	$1.8
Staffed residential apartments expansion 40 clients per year (FY's '89, 90, 91)	N/A - FY '88 ($1.5 - FY '89)
Specialized Home Care	N/A - FY '88 ($.88 - FY '89)
Family Support Services (after school, respite, crisis teams, etc.)	N/A - FY '88 ($2 - FY '89)
Additional case managers if needed.	N/A

NOTE: DMR estimates full annualized cost in FY '91 of $16 million.

DMR is implementing pilot programs across the state. These programs are funded at $500,000 in FY '88. House 1 proposes $2 million in expansion for services for mentally retarded children. While this will fund elements of the DMR plan for the coming year, it will not cover the costs of children's specialists for local service centers and needed expansion in individual service funds.

Respite care for developmentally disabled persons is transferred from DSS to DMH without additional funding for clients already on waiting lists. There were 2,075 disabled individuals on waiting lists for DSS respite care as of November, 1987. With more than 20,000 Massachusetts children identified as having mental retardation and some 791 children on waiting lists for DMR programs in February, 1987 -- with less than 50 percent of DMR areas reporting, it is evident that additional resources are needed in DMR and in other agencies serving disabled children.

RESOURCES NEEDED

Of particular concern are services to children who are dually diagnosed as having mental illness and mental retardation (ED/MR). DMR has responsibility for these children. In a survey last September, the agency identified 883 dual-diagnosed children and adolescents in the Commonwealth: 249 on active caseloads of various state agencies and another 109 on waiting lists for various services. DMR is drafting a plan for serving ED/MR clients. The plan will be submitted to the Special Commission on the DMH split. It is not clear whether new resources for ED/MR children are included in House 1.

Also of concern are serious shortfalls in DPH's Family Health Services (FHS) account which funds, among other programs, Services to Handicapped Children (SHC). Although new funds are available in House 1 to families of multiply handicapped children through Medicaid's Kaileigh Mulligan Home Care for Disabled Children Program (see 4402-5000), the complementary case management and support services funded by DPH will be dramatically reduced if additional funding is not added to the FHS account (see 4513-1000).

Due in large part to programs included in FY '88 budget language without funding, and an unanticipated $283,000 cost for programs for medically handicapped children assigned to DPH through the Interagency Team process, the Family Health Services Account is in deficit nearly $2.2 million for FY '88. House 1 cuts nearly $2 million from DPH's maintenance request for this account. The FY '88 deficiency absorption plan projects program cuts and potential layoffs. The situation is expected to be even more serious next year. (See Child Health and Nutrition section for a more complete analysis of the FHS account.)

MASSACHUSETTS COMMISSION FOR THE BLIND

The following account at the **Massachusetts Commission for the Blind** funds services for disabled children.

Social Services for the Blind 4110-2040

FY '88 Appropriation: $4,436,092
FY '89 Request: $5,392,380
House 1: $5,346,396

Social Services for the Blind provides a range of services, including services to children under age 14 years, such as infant stimulation and consultation with public schools.

Of the 25,000 legally blind Massachusetts residents, about 1,165 are age 22 years or less. MCB reports the total social services caseload as 2,755. There are currently six social workers for blind children (defined here as up to 14 years of age), who each have caseloads approaching 100.

In FY '87, a project was initiated to assist deaf-blind individuals who are turning 22 years of age, and are no longer eligible for special education services under the state's Chapter 766. Of these multiply handicapped people, 56 will be receiving services by the end of FY '88. This program coordinates and plans services for the deaf-blind population, as well as providing direct vocational and independent living services. An estimated 109 deaf-blind individuals have either just turned 22 in Massachusetts, or will do so between now and 1996. In addition, there are 250 deaf-blind people age 23 years or older.

House 1 includes $230,000 to annualize the cost of caring for the current 56 deaf-blind clients and $300,000 in expansion to serve the 13 new deaf-blind clients turning 22 during FY '89.

SAC Recommendation

Support House 1.

MASSACHUSETTS REHABILITATION COMMISSION

The following accounts within the **Massachusetts Rehabilitation Commission** fund services for disabled children.

Social Services for Disabled 4120-0012

FY '88 Appropriation: $15,652,190
FY '89 Request: $16,184,520
House 1: $17,865,872

In the final version of the FY '88 budget, a number of different programs were combined into one Social Services line item. The programs include Supported Work for the Mentally Retarded (FY '88: $1,457,422); Extended Sheltered Employment

(FY '88: $5,954,000); Independent Living (FY '88: $1,080,000); Homemaker/Chore services (FY '88: $3,700,000); Personal Care Assistance (FY '88: $1,760,000); Turning 22 services (FY '88: $700,000); Arts for Persons with Disabilities (FY '88: $150,000); Recreation for Persons with Disabilities (FY '88: $128,250); Abuse Protection and Investigation (FY '88: $400,000), and a housing pilot program for the severely disabled (FY '88: $229,690).

Although the House 1 figure is ten percent higher than MRC's request, there is relatively little in the Social Services Account which is not either maintenance of last year's service levels or the transfer of a program from another state agency. There is some expansion in services to the "turning 22" population: while FY '88's $700,000 purchases services for 20 clients, House 1 adds $535,000 to add contracts for another 26 clients. The first 20 clients average $35,000 each in annual costs; House 1 allocates only an average of $20,577 for the next 26 individuals. MRC had noted in its agency request that the FY '88 funding level included no staff to coordinate services. The Governor's budget addresses this problem by adding $95,000 for five staff.

Abuse protection and investigation more than doubles to $830,000. This is the first round of 12 month funding. In its first year, 96 clients were served. In FY '89, House 1 estimates investigations and protection can be extended to almost 200 people.

Support House 1.

SAC Recommendation

FY '88 Appropriation: $6,103,988
FY '89 Request: $7,252,488
House 1: $7,599,100

Statewide Head Injury Program 4120-0071

The Statewide Head Injury Program (SHIP) was established in FY '86 to serve the needs of people who survive traumatic head injuries but have serious handicapping conditions. Annually, about 9,000 victims of auto accidents, gunshot wounds, or other trauma are brain injured in Massachusetts. These individuals do not qualify for aid provided to the developmentally disabled. Currently, about 125 of the head injured receive case management services and 57 clients receive direct services such as day programs. Very few of these are children.

At the beginning of FY '88, there were only two case managers with a caseload of one to 90; one to 20 is considered to be a manageable load. A neurobehavioral unit is opening in Massachusetts this year, to accommodate head injured patients who require institutional care. Until now, Massachusetts residents who needed this care had to be placed outside the state, at a cost of about $150,000 per year.

Waiting lists of 500 or more exist both for case management and direct services, with new referrals of 20 to 25 per month.

The Governor's budget includes funding to pay for 12 months of services begun in FY '88 along with some expansion funding. By the end of FY '88, there will be five case managers, serving 180 people. By the end of FY '89, House 1 proposes to increase the caseload for case management to 480, with additional case managers hired. The cost for new case management, as well as for neuropsychiatric evaluations, is $415,000. The Governor's budget offers some expansion in day services to the head injured: $200,000 will add day rehabilitative services for 20 new clients, $185,000 will provide community-based housing for five new SHIP clients.

Although expansion is welcomed, advocates had initially suspected that the agency budget was about $400,000 underfunded. If that is the case, an additional $346,000 in the Governor's request is inadequate to sustain the base level of activity, and clearly could not stretch to support an additional $800,000 in expansion funding.

The SHIP Advisory Council -- made up of care providers, family members, consumers, and staff of the Head Injury Foundation -- had recommended $7.6 million as the necessary maintenance figure. The Advisory Council also supported expansion adding up to about $3 million, although some of the funding would go to 4120-0010, MRC's Administration account. Their proposals include $310,000 for half year funding for 11 abuse investigations and/or services; $900,000 for six severely head injured clients; $390,000 for 15 case managers and supervisory staff; $200,000 for consultations with specialists; $600,000 for half-year start-up of three new day programs; $200,000 for six months of a therapeutic/respite/leisure program; $375,000 for housing for eight, and $100,000 for transportation.

SAC Recommendation

SAC supports the recommendation of the SHIP Advisory Council for $7.6 million for maintenance funding and an expansion of $3 million for new services. SAC also recommends an additional $2 million expansion; $.75 million for individual service funds for children assigned to SHIP by the Interagency Teams and $1.25 million for children's services including respite and community-based residential services. Program development should be coordinated with the Department of Education's efforts to expand special education services to low incidence populations.

The following account at the **Massachusetts Commission for Deaf and Hard of Hearing** funds services for disabled children.

MASSACHUSETTS COMMISSION FOR DEAF AND HARD OF HEARING

FY '88 Appropriation: $3,534,866
FY '89 Request: $4,000,000*
House 1: $3,853,021

Massachusetts Commission for Deaf 4125-0100

*NOTE: In House 1, agency request is listed as $3,877,896. But public MCDHH documents indicate $4 million as their maintenance budget request.

MCDHH is a newly independent agency which coordinates services for the 29,000 deaf and 292,000 hearing-impaired individuals in the Commonwealth. Until FY '87, the Commission was a line item under the Massachusetts Rehabilitation Commission. MCDHH evaluates services for the deaf administered in various state agencies, provides information and referral services, and supplies interpreters. Interpreter services have grown markedly. In FY '85, there were about 4,000 requests for interpreters; in FY '88, the agency met 10,000 requests.

MCDHH also has been authorized to sell or lease at a discount telephone/telecommunications (TTY) devices for the deaf. A message relay service allows users of TTY equipment to communicate with those who do not have it.

This year, 450 deaf individuals will receive case management services, up 50 from FY '87. In addition, FY '87 marked the inception of independent living services for the deaf, through which the Commission teaches deaf people skills such as sign language or use of special equipment.

Services performed by MCDHH which focus on children include needs assessment and consultation for early intervention and education programs. In FY '87, MCDHH also provided transitional services to 37 "turning 22" deaf clients.

There are two offices -- one in Boston and one in Springfield.

The agency and advocates agreed that the $4 million in MCDHH's budget request represented a fair picture of full twelve-month funding of FY '88 projects. According to House 1, $4 million is sufficient to cover full annualizations of six new positions, and the necessary funding to pay for American Sign Language trainer/coordinators.

House 1 calls for allowing 20,000 calls per month to be made through the TTY message relay system. Currently only half that amount get through, and clients must wait 45 minutes to place a call. Of the House 1 recommendation, $158,000 funds this increase. The Governor's budget also contains $170,000 in annualized funding for the six new interpreters and other positions filled in FY '88.

Apart from secure base funding, advocates seek expansion in this account. A total of $100,000 in new funding would add eight new case managers, for a total of 13. Groups also favor establishing a third office in the Cape Cod/Southeast region.

SAC Recommendation

Fund MCDHH maintenance request of $4 million and add $100,000 in new funding for the eight new case managers.

DEPARTMENT OF PUBLIC WELFARE

The following accounts at the **Department of Public Welfare** fund services to disabled children.

Medicaid (Basic) 4402-5000

FY '88 Appropriation: $1,426,000,000
FY '89 Agency Request: $1,850,100,000
House 1: $1,553,620,000

The Department is implementing last year's important Medicaid expansion item -- home-based services for severely disabled children. In the past, parents could not get Medicaid funds to care for their disabled children at home unless their income was low enough to be Medicaid eligible. The profoundly high costs of caring for a seriously disabled child in many instances forced the parents to put the child into an institution. For FY '89, $2 million has been earmarked to pay for the services necessary to keep the child at home, if it can be demonstrated that it is cost effective.

SAC Recommendation

Support the implementation of the Kaileigh Mulligan Home Care for Disabled Children Program. See SAC recommendation in Child Health and Nutrition for a more extensive analysis.

FY '88 Appropriation: $65,020,200
FY '89 Agency Request: $71,681,000
House 1: $0

Medicaid for Mentally Ill and Retarded 4402-5300

This account pays for the following community services: intermediate care facilities for the mentally retarded (ICF/MR), day habilitation, early intervention, mental health centers, psychiatric hospital outpatient departments, and psychiatric day treatment. All of these forms of treatment are intended to encourage independence and to avoid institutional care.

There has been steady growth in these services in the last few years. From FY '81 to FY '87, ICF/MRs grew from six to 39. One new Type A ICF/MR facility will open in FY '88. Two new day habilitation programs will bring that total to 34 in FY '88. Medicaid will add 19 new mental health centers in FY '88, for a total of 181. There will be five more psychiatric day treatment programs in FY '88; and 700 additional early intervention slots for developmentally at risk children will be added in FY '88.

Medicaid has chosen to cut costs through a number of measures which limit access to mental health services. Prior approval is needed for mental health visits, including psychiatric visits.

House 1 has moved this account to the Medicaid line item (4402-5000). Funding in all the Medicaid programs will be tight for FY '89. If there is an FY '88 deficiency, the FY '89 budget total of $1.553 billion in that account will be scarcely higher than the FY '88 total. Under this stringent budget plan, it is not clear that the mental health expansion proposed by the agency will take place. The Welfare Department would add one new type A ICF/MR facility, four new day habilitation programs, 700 more slots for early intervention, nine new mental health centers, and two new satellite psychiatric outpatient clinics. The total cost of these expansion items is $3.3 million.

SAC Recommendation

Support recommendation for Medicaid Basic (4402-5000) in Child Health and Nutrition section.

DEPARTMENT OF PUBLIC HEALTH

The following account within the **Department of Public Health** supports services for disabled children.

Family Health Services 4513-1000

FY '88 Appropriation: $20,125,531
FY '89 Request: $22,469,719
House 1: $20,519,132

The Family Health Services (FHS) account includes the Services to Handicapped Children (SHC) program which provides therapeutic and preventive services to handicapped children and their families in an integrated and coordinated fashion through six regional and five non-regional clinics, a regionally based case management services unit and a community services unit. Community services include the Medical Review Team, in-home health care, camperships, pediatric nursing homes, adaptive housing services and three community-based residential programs for multiply handicapped children. The Early Childhood Development Unit provides early intervention programs, developmental day, and integrated preschool programs.

The FY '88 budget annualizes programs started in prior years, but at a level insufficient to fund program costs. For example, funding for four integrated preschools which serve three to six year olds with physical disabilities is set at $427,000. With one program receiving a rate increase of 84 percent, an additional $74,000 is needed this year to maintain current program levels.

The House 1 cuts in maintenance will have a serious impact on program and staff levels for FHS. House 1 also removes $300,000, based on recommendations from Project Serve, to phase out clinics and replace them with funding for those specialized medical and family support services needed for seriously medically involved and multiply handicapped children. House 1 reduces the clinic budget without providing a mechanism for funding the replacement services.

Another $200,000 is cut from the home health aide program, and no funding is included for cases assigned through the Interagency Team. With other across the board cuts, this account is funded $2.7 million below the level necessary to maintain current programs and fund FY '89 COLA and collective bargaining.

In addition to adequate maintenance funding, expansion is needed in early intervention programs and developmental day care. DPH research projects 22,000 children in need of early intervention services. In FY '87, about 25.6 percent of those in need were served through the 43 DPH early intervention programs. DPH expects to serve more than 6,700 children in FY '88, but has between 500 and 600 children on waiting lists.

Because DPH supports the average cost per child ($2,119) through federal, state early intervention funds and Medicaid, an increase of $600,000 in the FHS account will generate $1,120,000 in early intervention services and reduce the waiting lists by 528 children. A proposal to establish 40 new developmental day care slots in FY '89 will cost an additional $379,000.

SAC Recommendation

SAC recommends an increase of $7.079 million to fund:

* maintenance of existing programs ($2.7 million);
* expansion of comprehensive health services to adolescents ($2 million);
* expansion of services to prevent infant mortality ($1 million);
* expansion of services to disabled children --

  $600,000 for early intervention,

  $379,000 for developmental day care, and

  $400,000 for community services to multiply handicapped children. See Child Health and Nutrition chapter for a more complete analysis.

DEPARTMENT OF SOCIAL SERVICES

The following account within the **Department of Social Services** funds services to disabled children.

Respite Services for the Developmentally Disabled 4800-0070

FY '88 Appropriation: $7,547,044
FY '89 Request: $7,575,909
House 1: $0

In the past, this account has provided up to ten days of respite care every six months to families who care for developmentally disabled children at home. House 1 transfers the funds in this account to DMR's Mental Retardation Services account 5948-0000.

DEPARTMENT OF MENTAL HEALTH

The following account within the **Department of Mental Health** supports services for disabled children.

Turning 22 Services 5011-0006

FY '88 Appropriation: $600,000
FY '89 Request: $1,200,000
House 1: $1,265,000

This account funds continuing services to mentally ill and developmentally disabled people who lose eligibility to Chapter 766 special education programs when they turn 22 years old.

DMH requests funding annualization of FY '88's expansion of Turning 22. House 1 moves that $1.2 million into the Adult Mental Health account (5046-0000), so the $1.265 million recommended in this account is all expansion -- the largest ever proposed by the Governor for mentally ill clients turning 22. The intention of House 1 is to fund services for all 61 priority 1 clients who will turn 22 by the end of FY '89.

SAC Recommendation

Support House 1.

DEPARTMENT OF MENTAL RETARDATION

The following accounts within the **Department of Mental Retardation** supports services for disabled children.

Turning 22 - MR 5911-0006

FY '88 Appropriation: $3,150,000
FY '89 Request: $6,300,000
House 1: $11,839,400

This is a new account within a new department - DMR. It includes the bulk of the former DMH Turning 22 account (5011-0006) which served both the retarded and the mentally ill. This account funds transition planning and new services for mentally retarded individuals who are aging out of Chapter 766 special education programs.

House 1 recommends $5.3 million for expansion of Turning 22 services. The intent is to fund services for all 275 priority one clients expected to turn 22 years old by the end of FY '89. House 1 represents substantial expansion and advocates generally support it. The annualized funding of FY '88 expansion, which is DMR's maintenance request, remains in the Turning 22 account.

House 1 funds services for about 400 clients but will leave around 1,000 on waiting lists.

Support House 1.

SAC Recommendation

FY '88 Appropriation: $1,331,072
FY '89 Request: $1,831,072
House 1: $3,905,843

MR Children's Services
5947-0000

MR Children's Services is a new account which funds services to mentally retarded children and their families. The FY '88 expansion of $500,000 for children and family support services coupled with the central and regional children's positions funded by the DMH/DMR split reserve, form the basis for DMR's present children's service system.

House 1 annualizes FY '88 program expansion and includes an additional $2 million in expansion -- half-year funding -- to develop support services such as specialized home care, after-school care, skills training and recreation programs. This is a substantial expansion, but will not accommodate all of the FY '89 program needs. Advocates have been anxious to see DMR hire specialists in services for retarded children for the 26 local service centers. If staff expansion comes out of the $2 million included in this account, there will not be much left for services. Advocates recommend an increase of $400,000 (six months funding plus support costs) for at least one children's specialist in each local service center.

Based on current commitments by DMR and projections by OFC on the number of children identified through the Interagency Team process, advocates also project a need for at least $1.946 million new individual service funds (ISF) for children identified through the Interagency Team process. ISF is over utilized in FY '88: 15 new cases have already cost $505,633 and at least ten more cases costing about $300,000 are projected between now and July 1. In FY '89, children previously served by DMH Children's ISF are coming to DMR, but without the approximate $290,518 in funding needed. When DMR becomes responsible on July 1 for children with the dual diagnosis of mental retardation and emotional disturbance, even more children will need to use individual service funds. It is expected that there will be at least 30 new cases in FY '88 costing at least $990,000, an average of $33,000 per case.

SAC recommends an increase of $2,346,000 over House 1 to fully fund ISF and the 26 area MR children's specialists without a resultant reduction in new program expansion.

SAC Recommendation

Mental Retardation Services 5948-0000

FY '88 Appropriation: $184,124,579
FY '89 Request: $193,220,489
House 1: $219,430,712

This account at the new Department of Mental Retardation funds all services to mentally retarded children and adults outside of state schools.

Funding for respite care has been transferred from DSS (4800-0070) to this account in House 1 -- $7.7 million, which is maintenance funding for FY '88's $7.5 million appropriation. Advocates are disappointed that there is no expansion recommended for respite care. Despite expansion in FY '88, there are still substantial waiting lists for this essential service. According to DSS, urban and minority families are currently underserved.

SAC Recommendation

Add $2.2 million to cover clients on waiting lists and expand services to currently underserved urban and minority families.

DEPARTMENT OF EDUCATION

The following account within the **Department of Education** supports services for disabled children.

Special Needs Recreation 7061-0010

FY '88 Appropriation: $400,000
FY '89 Request: $400,000
House 1: $400,000

This account reimburses cities and towns for up to 50 percent of the cost of running recreation programs for school-age children with special needs. While funding has been sufficient in the past, this is the first year Boston will submit a bill. The current reimbursement rate is 40 percent. If bills are higher next year, the rate of reimbursement will be reduced. Over 50 cities and towns received special needs recreation funds in FY '87.

SAC Recommendation

Support House 1.

CHILDREN'S BUDGET ACCOUNTS LISTING*

* All child-related accounts appearing in House 1 are listed on the following pages. An asterisk indicates that the analysis of the account appears in the text of this document.

BASIC HUMAN NEEDS

Dept.	Account	Description	FY '88 Approp.	SAC Recommendatio
*DOR	1201-0160 Child Support Enforcement	Administration of Child Support Enforcement Unit responsible for representing all custodial parents.	$ 21,578,781	$ 25,068,765
*EOCD	3000-0301 Gateway Cities Program	Provision of grants and additional local aid to 26 communities with large populations of non-English speaking recent immigrants.	$ 10,166,686	$ 10,172,757
EOCD	3722-9001 Neighborhood Housing Services Program	Maintains a revolving fund for loans to low and moderate income homeowners for repairs and improvements.	$ 587,447	
*EOCD	3722-9018 Supportive Services for Public Tenants	Funds remedial education, employment and training services, and day care development in public housing.	$ 5,340,705	$ 5,329,618
*EOCD	3722-9024 Housing Subsidies	Funds state subsidies for low income tenants in both public and private housing.	$ 101,104,298	$ 135,831,922
EOCD	3722-9025 Emergency Assistance	Maintains a separate pool of Chapter 707 rental assistance certificates targeted for the homeless.	$ 6,000,000	
*EOCD	3722-9027 State Housing Assistance for Rental Production (SHARP)	Subsidizes private rental housing in which 25 percent of the units built or renovated are reserved for low income households.	$ 6,835,553	$ 13,868,731
*EOCD	3743-2036 Housing Services	Provides support through counseling, workshops and landlord/tenant mediation to prevent low income tenants and homeowners from losing their homes.	$ 1,700,545	$ 2,500,000

BASIC HUMAN NEEDS (continued)

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
EOCD	3743-2037 Program to Alleviate Poverty	Supplements federal funds for Community Action Programs.	$ 500,000	
*EOCD	3745-1000 Emergency Fuel Assistance	Provides assistance for fuel bills, up to a maximum payment set by federal guidelines, for households eligible for federal assistance but for which federal funds no longer exist.	$ 15,000,000	$ 29,000,000
*DPW	4400-1200 Food Stamp Administration	Funds the state administration of the federal Food Stamp Program.	$ 12,016,198	$ 13,241,208
*DPW	4400-1400 Project Good Health	SEE HEALTH AND NUTRITION CHAPTER.		
*DPW	4403-2000 Aid to Families with Dependent Children	Provides monthly benefits to all financially eligible families with children.	$ 521,775,704	$ 650,114,568
*DPW	4406-2000 General Relief	Provides cash assistance and medical services to income-eligible families and individuals not eligible for other state or federal public assistance programs.	$ 94,953,668	$ 115,282,976
*DPW	4406-3000 Homelessness Program	Supports 50 to 75 percent of the costs of the shelters operating in the state.	$ 21,426,000	$ 49,105,207
DPW	4406-5000 General Relief Health Plan	Provides medical care for General Relief recipients through a comprehensive range of in- and outpatient care.	$ 18,412,028	

BASIC HUMAN NEEDS (continued)

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*DPW	4407-1000 Employment and Training Program	Offers services to AFDC recipients including career assessment, basic or college education, vocational skills training, and supported work.	$ 29,000,000	See Narrative.
DPW	4407-1010 General Relief Employment and Training	Funds a voluntary Employment and Training Program for General Relief recipients.	$ 2,042,000	

CHILD AND FAMILY SUPPORT

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*EOHS	4000-0720 Teenage Pregnancy Prevention	Provides grants to communities for the prevention of teenage pregnancy and support to parenting teens.	$ 1,200,000	$ 3,000,000
*OFC	4130-0005 Field Operations	Provides funding for OFC field operations of Licensing, Help for Children, and Community Development Programs.	$ 9,258,595	$ 12,577,667
*DSS	4800-0020 Permanency Services	Funds the administration and implementation of certain adoption services, including adoption subsidies and guardianships.	$ 15,800,000	$ 17,615,754
*DSS	4800-0023 Adolescent Assessment/ Treatment	SEE MENTAL HEALTH CHAPTER.		
*DSS	4800-0025 Foster Care Review	Provides foster care review on all children in substitute care.	$ 2,389,000	$ 2,621,612
*DSS	4800-0028 New Program Reserve	Funds an increase in foster care, adoption and guardianship subsidies.	$ 5,764,857	$ 4,497,000
DSS	4800-0050 New Chardon Street Home	Funds operation of the New Chardon Street Home for women, a temporary shelter for women and their children.	$ 590,254	
*DSS	4800-0200 Regional Direct Services	Provides funding for DSS social workers and the majority of DSS social services including counseling, emergency shelter and family planning.	$ 98,759,565	$ 124,570,476
DSS	4800-1040 Public Private Partnership Program (PPPP)	Matches 25% private sector costs with 75% state funds for private sector programs.	$ 14,622,000	

CHILD CARE

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*DCPO	1102-7895 Child Care Pool	Establishes a child care pool account to start up six to eight child care centers for state employees each year.	$ 2,000,000	$ 4,000,000
*EOCD	3722-9018 Supportive Services for Public Tenants	SEE BASIC HUMAN NEEDS CHAPTER.		
*OFC	4130-0001 Office of the Commissioner	Administers the Central Office for Children functions including Legal, Communications, Licensing, Advocacy, and Administrative services.	$ 1,387,603	$ 1,491,452
*OFC	4130-0005 Field Operations	SEE CHILD AND FAMILY SUPPORT CHAPTER.		
*OFC	4130-0016 Child Care Resource and Referral	Funds a statewide network of Child Care Resource and Referral services.	$ 2,402,181	$ 3,067,594
*DPW	4400-1009 Voucher Day Care	Funds day care costs for AFDC mothers participating in the DPW Employment and Training (ET) Program.	$ 30,231,716	$ 53,296,624
*DSS	4800-0060 Day Care	Provides state-supported day care services including day care subsidies to low-income working parents, protective day care slots for children at risk of abuse or neglect, and teen parents.	$ 79,550,000	See Narrative.
*EOEA	9000-0104 Corporate Child Care	Provides technical assistance to private companies interested in establishing employee child care programs.	$ 100,000	$ 100,000

CHILD CARE (continued)

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*DOE	7030-1000 Early Childhood Education	Administers grants and provides technical assistance to cities and towns for the development of preschool, enhanced kindergartens, transitional first grade programs, and combined day care and early education programs.	$ 7,200,000	$ 10,320,000
*DOE	7030-1500 Head Start Program	Provides preschool educational readiness programs targeted to low-income communities meeting federal guidelines.	$ 4,500,000	$ 4,800,000

HEALTH AND NUTRITION

Dept.	Account	Description	FY '88 Approp.	SAC Recommendatic
*EOHS	4000-0720 Teenage Pregnancy Prevention	SEE CHILD AND FAMILY SUPPORT CHAPTER.		
DPW	4400-1003 Medicaid Administration	Funds staff and support costs to operate the state's Medicaid Program.	$ 18,053,653	
*DPW	4400-1400 Project Good Health	Provides comprehensive preventive health care including health and nutrition education for Medicaid recipients under 20 years of age.	$ 1,255,000	$ 1,369,132
*DPW	4402-5000 Medicaid (Basic)	Administers a program which provides free medical services to all financially and medically needy families and individuals.	$1,426,000,000	See Narrative.
DPW	4406-5000 General Relief Health Plan	SEE BASIC HUMAN NEEDS CHAPTER.		
DPW	4407-2000 Employment and Training Health	SEE BASIC HUMAN NEEDS CHAPTER.		
DPH	4510-0103 Health Promotion	Promotes school health education programs focused on cigarette smoking, proper nutrition and physical fitness among other prevention activities.	$ 862,831	
DPH	4510-0110 Community Health Centers	Awards grants, no more than $25,000 each, to community health centers to provide specific services including obstetrics and gynecology, pediatric and adolescent services, and social services.	$ 1,649,228	

HEALTH AND NUTRITION (continued)

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*DPH	4510-0600 Environmental Health	Monitors environmental hazards including lead paint poisoning and its impact on health through local, state and federal agencies.	$ 3,713,513	See Narrative.
*DPH	4512-0103 AIDS	Supports AIDS research, testing, counseling, public education, prevention, community health and home care services, and treatment for long term care patients.	$ 7,590,692	See Narrative.
*DPH	4512-0200 4513-0200 Alcoholism and Drug Rehabilitation	Provides drug and alcoholism services for adults and youth including youth residential treatment programs.	$ 37,026,611	$ 40,664,834
DPH	4512-0500 Dental Health	Serves developmentally disabled children in state schools and in the community as well as Department of Youth Services clients living in secure facilities.	$ 2,700,418	
DPH	4512-0550 Fluoridation Assistance	Reimburses partial cost for fluoridation of water to cities and towns.	$ 126,678	
*DPH	4513-1000 Family Health Services	Funds the majority of programs within the Department's Division of Family Health Services including the Services for Handicapped Children (SHC) and Maternal and Child Health (MCH) Programs.	$ 20,125,531	$ 27,598,132
*DPH	4513-1002 Office of Nutritional Services	Funds the Women, Infants and Children (WIC) Program, the Office of Nutrition and purchased services for failure-to-thrive children.	$ 8,988,626	$ 11,719,229

HEALTH AND NUTRITION (continued)

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*DPH	4513-1005 Healthy Start	Provides prenatal care to low-income women without health insurance.	$ 6,658,376	$ 14,000,000
DPH	4513-1006 Pediatric Hospice	Administers funds to operate a pediatric hospice as an adjunct to an existing adult hospice in Boston.	$ 25,000	
DPH	4516-1000 Laboratory and Communicable Disease Control	Supports Center for Laboratories and Communicable Disease Control with responsibilities including newborn screening and production and distribution of vaccines and serums to immunize children.	$ 15,121,485	
DPH	4540-0001 Consolidated Hospitals	Funds seven public health hospitals to provide clinical services to meet the needs of patients not adequately served by the private sector.	$ 91,680,273	
*DSS	4800-0200 Regional Direct Services	SEE CHILD AND FAMILY SUPPORT CHAPTER.		
*DOE	7032-0500 Comprehensive Health Education	SEE EDUCATION CHAPTER.		

MENTAL HEALTH

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*DYS	4202-0021 Residential Programs Purchase-of-Service	SEE JUVENILE JUSTICE CHAPTER.		
*DYS	4237-1010 Community Based Treatment Units	SEE JUVENILE JUSTICE CHAPTER.		
*DYS	4238-1000 Consolidated Service Facilities	SEE JUVENILE JUSTICE CHAPTER.		
*DPW	4402-5000 Medicaid (Basic)	SEE HEALTH AND NUTRITION CHAPTER.		
*DPW	4402-5300 Medicaid for Mentally Ill and Retarded	SEE DISABLED CHILDREN CHAPTER.		
*DSS	4800-0023 Adolescent Assessment/ Treatment	Funds adolescent assessment and treatment programs.	$ 2,350,000	$ 5,781,160
*DMH	5046-0000 Adult Mental Health Services	Funds residential programs, outpatient services and home support in all districts except those services offered by state-funded community mental health centers.	$ 114,356,314	$ 148,540,573
*DMH	5047-0000 Children and Adolescent Mental Health Services	Funds mental health health services for children and adolescents through out-patient, residential, day, emergency, family support, case management and in-patient programs.	$ 41,869,920	$ 55,086,361

JUVENILE JUSTICE

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*DYS	4202-0021 Residential Programs Purchase of Service	Provides funding for residential and non-residential purchased services including group care, foster care and non-secure detention.	$ 29,089,489	$ 34,760,170
*DYS	4237-1010 Community-Based Treatment Units	Provides funding for regional offices, staff and equipment, community-based treatment services for clients, and the Stephen L. French Youth Forestry Camp.	$ 5,947,000	$ 6,465,001
*DYS	4238-1000 Consolidated Secure Facilities	Funds the detention, treatment and shelter programs operated by the Department.	$ 13,088,000	$ 11,746,018
*DMH	5049-0000 Forensic Mental Health	Funds mental health services to court referred or committed persons, some of whom are children.	$ 5,714,638	$ 8,256,133

EDUCATION

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
DOE	7010-0012 Racial Imbalance	Provides grants to cities and towns for payment of costs incurred in eliminating racial imbalance.	$ 13,192,245	
DOE	7010-0025 Statewide Assessment/ Basic Skills	Funds the statewide assessment testing program.	$ 1,150,000	
DOE	7010-0043 Equal Education Improvement Funds	Provides grants to cities and towns with students of Hispanic and Southeast Asian origin for specialized curriculum and staff.	$ 9,641,900	
DOE	7010-0044 Emergency Grants for Minority Population	Provides funding for cities where current demographic changes due to immigration and relocation of families has increased the need for English as a second language teachers, bilingual teachers and specialized curriculum.	$ 1,500,000	
DOE	7028-0031 Bureau of Institutional	Provides funds for educating students in institutional settings, including state hospitals, state schools and Department of Mental Health Intensive Residential Treatment Programs (IRTP).	$ 10,000,000	
*DOE	7028-0101 Local Education Authority Incentive Grants	Provides grants to cities, towns and regional school districts for the development of programs for children returning to their communities from institutional settings.	$ 628,622	$ 2,500,000

EDUCATION (continued)

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
DOE	7028-0302 Private Schools	Funds the incurred expenses of children who have no father or mother living in the Commonwealth and were placed in programs by the Department of Public Welfare prior to 1974.	$ 8,163,268	
DOE	7030-2000 Basic Skills/ Remediation	Provides for the remediation of students who have not met basic skill levels in reading and math as measured through the statewide testing program (7010-0025).	$ 10,320,000	$ 12,500,000
*DOE	7030-1000 Early Childhood Education	SEE CHILD CARE CHAPTER.		
*DOE	7030-1500 Head Start	SEE CHILD CARE CHAPTER.		
*DOE	7030-2001 Commonwealth Futures Program	Supplements a private grant to establish a coordinated statewide effort to address the dropout problem through the development of local dropout prevention programs in target communities.	$ 1,000,000	$ 1,785,500
DOE	7032-0211 Gifted and Talented	Funds support programs for gifted and talented children in public school settings.	$ 1,000,000	
*DOE	7032-0500 Comprehensive Health Education	Provides grants to cities, towns and regional school districts for school-based comprehensive health education program planning in the public schools.	$ 1,500,000	$ 4,500,000
DOE	7035-0004 School Transportation	Provides school districts with funding for school transportation.	$ 60,922,572	$ 64,924,160

EDUCATION (continued)

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
DOE	7061-0009 State Wards	Reimburses costs to cities and towns providing educational services to children in the custody of Department of Social Services.	$ 7,300,000	
*DOE	7061-0010 Recreational Programs	SEE DISABLED	CHILDREN	CHAPTER.
*DOE	7061-0012 Non-Educational Residential Cost (60/40)	Provides funds for residential program costs for children placed by Local Education Authorities. 60 percent of the costs are paid by the state directly to the vendor.	$ 9,650,080	$ 16,000,000
*DOE	7061-1000 Equal Education Opportunity Grants	Supplements the direct spending budgets of school districts currently spending less than 85 percent of the statewide per pupil average.	$ 84,704,995	$ 114,000,000
DOE	7061-2000 Professional Development	Provides grants to cities, towns, regional school districts, educational collaboratives, and independent vocational schools for programs designed to attract and retain teachers.	$ 11,400,000	
*DOE	7061-4000 School Improvement Councils	Establishes a per pupil entitlement for all children in grades kindergarten through twelve for funds disbursed to School Improvement Councils for supplemental equipment, special projects or additional curriculum.	$ 8,300,000	$ 12,000,000
*DOE	7061-5000 Horace Mann Grants	Provides grants to teachers who increase responsibilities and add new roles to their present position in order to enhance curricular activity.	$ 7,440,000	$ 7,619,146

DISABLED CHILDREN

Dept.	Account	Description	FY '88 Approp.	SAC Recommendatio
*MCB	4110-2040 Social Services for the Blind	Provides a range of services, including rehabilitative service such as skills training in cooking and clothes labeling for the newly blind, 70 percent of whom are over 65 years of age.	$ 4,436,092	$ 5,346,396
MCB	4110-3010 Vocational Rehabilitation for the Blind	Provides job training services to certain blind individuals including evaluation, diagnosis, counseling, guidance and referral, vocational training, physical or mental rehabilitation, transportation and job placement.	$ 1,966,865	
MRC	4120-0010 Vocational Rehabilitation	Assists permanently disabled persons to maximum independence through job training and placement, personal care assistance, and independent living programs.	$ 2,382,388	
*MRC	4120-0012 Social Services for Disabled	Provides social services to those severely handicapped individuals who are not eligible for vocational rehabilitation services but who can be helped to live independently within the community.	$ 15,652,190	$ 17,865,872
*MRC	4120-0071 Services to Head-Injured	Provides services to head-injured person including technical assistance, case management, placement, and aftercare.	$ 6,103,988	See Narrative.

DISABLED CHILDREN (continued)

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*MC DHH	4125-0100 Massachusetts Commission for the Deaf and Hard of Hearing	Funds the administration of and services provided by the MCDHH including information and referral, interpreters, case management, and independent living services. The Commission also evaluates the effectiveness of services provided for the deaf by various state agencies.	$ 3,534,866	$ 4,100,000
*DPW	4402-5000 Medicaid (Basic)	SEE HEALTH AND NUTRITION CHAPTER.		
*DPW	4402-5300 Medicaid for Mentally Ill and Retarded	Funds treatment through community services to encourage independence and to avoid institutional care for the mentally ill and retarded.	$ 65,020,200	See Narrative.
*DPH	4513-1000 Family Health Services	SEE HEALTH AND NUTRITION CHAPTER.		
*DSS	4800-0070 Respite Care for Developmentally Disabled	Provides a maximum of ten days of respite care to families caring for developmentally disabled children at home.	$ 7,547,044	See DMR 5948-0000.
*DMH	5011-0006 Turning 22 Services	Funds transition planning and services to mentally ill and developmentally disabled persons who become ineligible for special education services upon turning 22 years of age.	$ 600,000	$ 1,265,000
*DMR	5911-0006 Turning 22 - MR	Funds transition planning and new services for mentally retarded individuals who become ineligible for services under Chapter 766 upon turning 22 years of age.	$ 3,150,000	$ 11,839,400

DISABLED CHILDREN (continued)

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
*DMR	5947-0000 Child/Adolescent Services	Funds services to mentally retarded children and their families including specialized home care, after-school care, skills training and recreation programs.	$ 1,331,072	$ 6,251,843
*DMR	5948-0000 Mental Retardation Services	Funds all services to mentally retarded persons outside of state schools including respite care.	$ 184,124,579	$ 221,630,712
DMR	5983-0100 Mental Retardation Facilities	Funds the state schools for the mentally retarded and Mansfield Residential Autistic Program, Glavin Regional Center, Monson Developmental Center, and Hogan-Berry Center.	$ 253,569,267	
*DOE	7061-0010 Special Needs Recreation	Funds summer recreational programs operated by individual cities and towns for children with special needs.	$ 400,000	$ 400,000

PROVIDER SALARY PARITY

Dept.	Account	Description	FY '88 Approp.	SAC Recommendation
EOHS	4000-0770	Provides funds to upgrade salaries for human service and day care providers.	$ 12,500,000	

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Statewide Advisory Council

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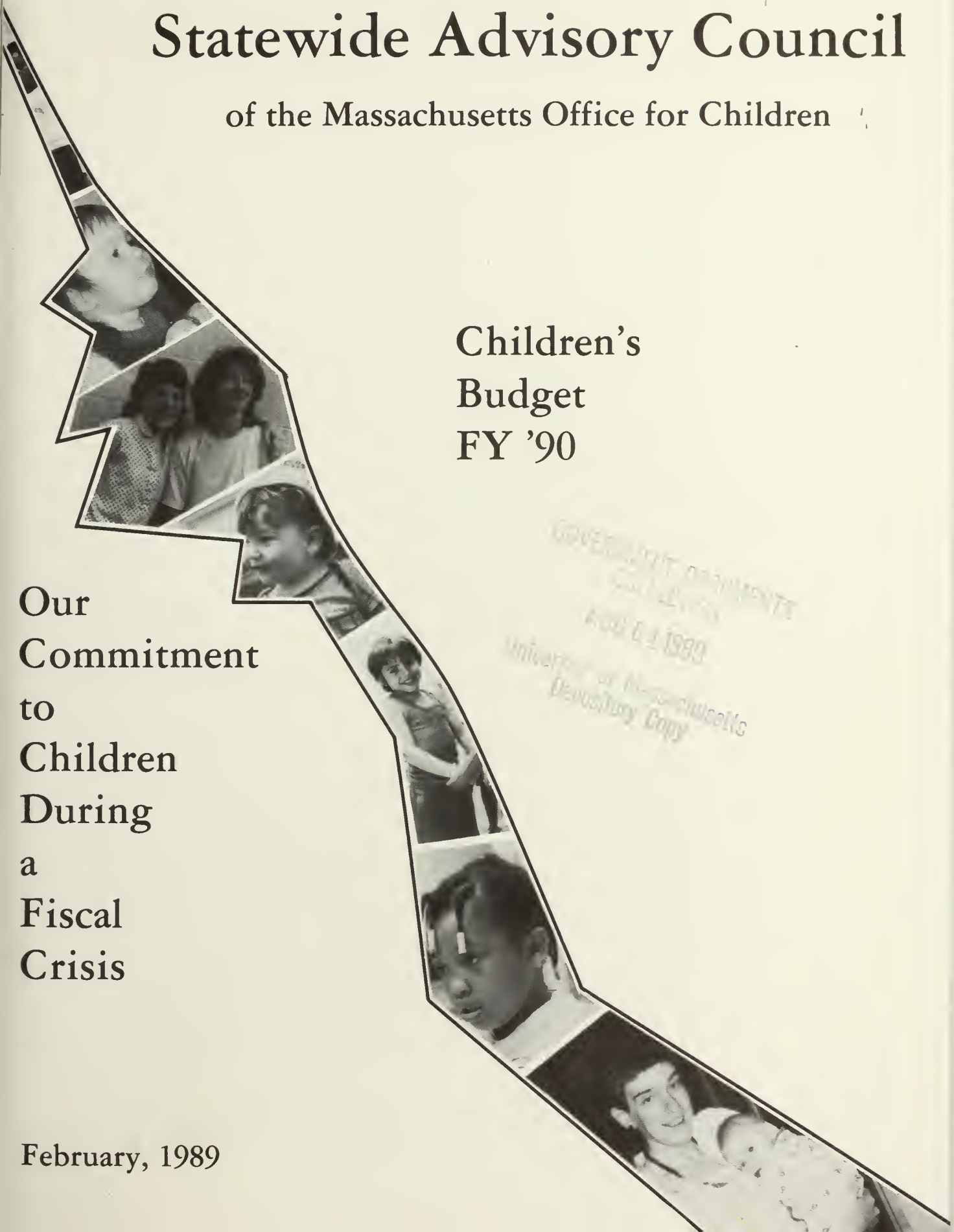

Children's Budget FY '90

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Our Commitment to Children During a Fiscal Crisis

February, 1989

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Dear Friends of Children:

For those who hope to see the Commonwealth maintain and expand its successful initiatives to improve the quality of life for our children, 1989 will be a challenging year. After several years of continuous revenue growth, which supported major increases in spending for social services programs and state aid to cities and town, the bottom has fallen out. The FY'89 budget is in deficit by $636 million. A significant revenue shortfall is dictating that the Legislature must cut state spending or raise taxes.

House 1: The Governor's Budget Proposal

Governor Dukakis proposed a $13.49 billion budget for FY'90 on January 25. The proposal, known as House 1, included $8 million in new spending for services to children and families. The budget as filed, can only be balanced if the Legislature approves a $604 million tax increase in addition to $495 million in "savings" (i.e. service cuts) proposed by the Governor.

House 1 proposes to cut the base of many direct service programs for children, including important programs administered by the Department of Social Services (DSS) for children who are victims of physical and sexual abuse, and by the Department of Public Health (DPH), for severely handicapped and medically at-risk children.

House 1 also proposes to interrupt anticipated expansion in a number of multi-year initiatives which have been lauded as national models. The day care partnership initiative and the E.T. Choices program will stall without new spending in DSS and the Department of Public Welfare's (DPW) day care accounts. Although the teen birth rate rose 6 percent in 1987, the teen pregnancy prevention challenge fund is providing services to only five of the 18 communities originally targeted, all of which have high teen birth rates. Education reform efforts in the arenas of remedial education, drop-out prevention, and early childhood education have been level-funded.

The Legislature

Even more discouraging are early indications that both branches of the Legislature may cut services even further. The Governor's tax proposal received a very cool reception when it was presented. The House of Representatives in particular is expected to slash spending on many programs and its leadership has already announced its intent to level fund local aid.

Many advocates feel boxed in — forced to support a budget proposal, House 1, which is inadequate to address even the most pressing needs, but is the best alternative available. However, the Statewide Advisory Council (SAC) represents a very special interest group, the children of Massachusetts. SAC firmly believes that children cannot afford to bear the burden of resolving this year's budget crisis, and adamantly opposes any budget package that will do so.

SAC Proposal

The Statewide Advisory Council (SAC), in preparing this year's budget analysis, has made a series of recommendations that would enable key programs to meet the full level of need. However we are realistic about the budget crisis. We propose a "Children's Survival Budget", which lists the areas in the budget which must be protected from cuts in order to ensure that children are not endangered.

We also propose limited new funding in areas of the budget which constitute appropriate investments in children's services which in the long run will pay off with lower state expenditures on expensive medical treatment, institutionalization, and other direct intervention services.

Massachusetts has made exceptional progress in addressing the needs of our children. We cannot afford to take a step backward because of funding shortages.

Sincerely,

George Bachrach
Chairman and President

REVENUES

The state revenue shortfall of 1988-89 has interrupted several years of progress by the Commonwealth in responding effectively to meet the needs of our children. It is essential that child advocates and others recognize the link between an adequate state revenue base and the state's ability to provide essential services.

Background

A number of factors combined to cause the state revenue shortfall:

- Massachusetts and a number of other states, including California and New York, did not take into account the impact of federal tax reform on state revenues. In particular, the phase-out of federal capital gains exemptions caused a sharp drop in Massachusetts revenue collections.
- Proposition 2 1\2 has left cities and towns restricted in their ability to pay for adequate police and fire protection, and public schools. Since 1983, local aid to cities and towns has increased from $1.7 billion to $3.06 billion annually. Direct local aid and other payments to local government now make up over one-third of the entire state budget.
- Federal spending cuts since 1981 have imposed an increased burden on state government to spend more on human services, housing, education, and the environment.
- In fiscal year 1986, Governor Dukakis and the Legislature enacted a $500 million tax cut.

Because of the above, Massachusetts went from a record budget surplus of $500 million in 1986 to a record $636 million budget deficit in 1988/89. We are now faced with the hard choice of cutting back on sorely needed services or enacting unpopular tax increases.

Impact of the Revenue Shortfall

The following are examples of cuts in children's services enacted because of the revenue shortfall:

The Department of Mental Retardation (DMR) cannot hire regional and local children's service coordinators, nor fund any new services for the hundreds of mentally retarded children and their families who need services that complement Chapter 766.

$1.9 million in savings generated by the Department of Public Health's (DPH) WIC program through participation in an infant formula rebate program will go toward reducing the deficit rather than serving 4,000 additional clients.

DSS faces an $11 million deficit in FY'89 endangering foster care reimbursement, adoption subsidies, and contracted day care services.

Funds in many of the education reform accounts were frozen in FY'89. Scores of schools which are eligible for drop out, remedial, and early childhood education funds cannot participate in those programs.

The DPH family health services account faces an FY'89 deficit of $3.5 million. Programs which serve handicapped children, provide early intervention and adolescent health services, and support rape crisis prevention will be cut.

Myths About State Spending and Raising Taxes

In the 1980s, revenue policy in Massachusetts and the rest of the nation has been dominated by the sentiment expressed in the line made famous during the recent Presidential campaign, "Read my lips, No new taxes !". Conservative groups have successfully created the illusion that the public will not stand for further assaults on their personal income to pay for more wasteful government. Massachusetts also still suffers from its historic label of "Taxachusetts".

It is not true even in this day and age that voters will oppose all new taxes. A recent survey by the Becker Institute shows that nearly eight out of ten Massachusetts residents would pay more in taxes to improve the health care system. A 1988 Harris poll found that large majorities of Americans would support new taxes to pay for child care, education, or other services. Education reform initiatives in a number of states, including several in the conservative South, were paid for by tax increases widely supported by the general public.

Are we really living in Taxachusetts? Because of Proposition 2 1/2, property taxes in Massachusetts are now close to the national average. Massachusetts families pay a smaller share of their income in state and local taxes and fees than do taxpayers in 33 other states. The overall tax and fee burden in this state has declined during the past ten years. Whether or not the Bay State deserved the label Taxachusetts in the past, it no longer holds true.

Finally, many have charged that state spending is out of control and that millions of dollars have been wasted on unnecessary government employees and "03" consultants. While state spending and the state payroll have grown signifigantly in the past five years, most of these increases have gone to pay for more local aid and to hire direct care employees, largely in prisons and state institutions for the mentally ill and mentally retarded. Since 1983, state human service agencies hired 3,000 new employees — over 80 percent of whom are prison guards, direct care employees, or social workers.

The Governor's Tax Package

On January 12, Governor Dukakis announced a $600 million package of tax increases for FY'90, with an additional $131 million to go into effect before the end of FY '89. The cost to the average taxpayer for the Governor's proposal is $1.50 a week. The following outlines the Governor's proposal:

Type of Tax	FY'89	FY'90
*repeal of capital gains deduction	$0	$265m
*gasoline excise -$.06/gal.	43m	193m
*cigarette excise-$.04/pack	6m	20m
*alcohol excise-50% increase	8m	32m

*extend sales tax to utility purchases, long distance calls	14m	80m
*unemployment insurance diversion	14m	14m
*corporate tax collection speed up	46m	0
	$131m	$604m

As of February, 1989 the Governor's proposal is the only major tax proposal under serious consideration. Its prompt passage is essential to support the level of services currently provided and proposed in House 1 respectively. All of the cuts in children's services described above remain in effect even with the Governor's tax increase.

Impact on Children's Services Without the Governor's Tax Increase

Approximately 25 percent of total state appropriations fund accounts which provide services (all or in part) to children. If the Legislature approves no tax increase in FY'89 children's services accounts will be slashed an additional $32.75 million. **Without any tax increase in FY'90 children's services will be cut an additional $150 million.**

Raising Taxes Fairly

A tax increase is critical to ensure the health and safety of thousands of Massachusetts children. Any tax increase ought to be fair. The burden of resolving the state budget crisis should not fall on those who are most vulnerable, children in need among them. Neither should it be borne by low and moderate income taxpayers who cannot afford to pay more.

The Governor's tax proposal is a mix of proposals, some of which are **progressive** — placing the tax burden on more affluent taxpayers — and others somewhat **regressive**, placing a disproportionate burden on low and moderate income taxpayers.

- **Capital Gains** — Elimination of the capital gains deduction is progressive tax reform. The Department of Revenue says that 88.2 percent of taxpayers who claim any deduction for capital gains are among the state's top 20 percent income group. The proposal excludes the proceeds from the sale of an individual's principal residence and for investments in new Massachusetts ventures.
- **Gasoline, alcohol, cigarettes** — These are regressive tax proposals in that they are borne disproportionately by low and moderate income taxpayers. To compensate, the Tax Equity Alliance of Massachusetts (TEAM) has proposed an income tax credit for low and moderate income drivers to defray the gasoline tax hike. These taxes are earmarked for highway and transportation improvements and health and substance abuse programs.
- **Sales tax extensions** — The utility tax is on businesses. The tax on long distance calls will cost families who make $20 per month in long distance calls an additional $1. Businesses make a higher percentage of long distance calls.

TEAM is a coalition of organizations formed to build support for progressive tax reform and against across the board service cuts as the solution to the budget crisis. TEAM supports most of the elements of the Governor's tax proposal.

Is the Governor's Proposal Enough?

The Governor's tax proposal will only support the level of spending described in House 1. Other progressive tax options should be considered to ensure full funding for the "Children's Survival Budget". These include extending the state sales tax to include a number of services utilized largely by corporations and wealthy individuals — professional services like legal and accounting fees. Another option is to loosen the restraints of Proposition 2 1\2 to give local governments the ability to increase their revenues to pay for the increased level of services demanded by a more affluent population.

Advocates for children should also consider proposing a progressive tax package which is tied directly to providing support to essential children's services.

THE BUDGET PROCESS

The state budget, perhaps one of the most important tools for making public policy, is a blueprint for the way in which billions of dollars are to be spent during the state's fiscal year which begins on July 1, and ends June 30. The preparation of the final budget for the Commonwealth begins several months before the beginning of the fiscal year; and generally, but not always, concludes prior to the beginning of that new fiscal year.

The major steps in the budget process are as follows:

- State agencies develop their budget requests during the summer months. In September, requests are sent to the appropriate cabinet secretary, the Senate and House Ways and Means Committee, the Budget Bureau and the Legislative Committee on Post Audit and Oversight.
- In October, each secretariat holds public hearings on its agencies' budget requests. The secretariats' recommendations are then forwarded to the office of the Secretary of Administration and Finance (the Budget Bureau).
- The Budget Bureau finalizes each secretariat's request and makes recommendations to the Governor. The Governor's Budget Request, House 1, is submitted by the Governor to the Legislature in January.
- House 1 is reviewed by the House Ways and Means Committee, and the Committee holds public hearings. The Committee then reports out its recommendations for the next fiscal year's budget. That document is sent to the House floor where it is discussed, amended and voted upon as the House version.
- The Senate Ways and Means Committee also reviews and holds public hearings on the budget recommendations contained in both House 1 and the House version. The Senate Ways and Means version is discussed, amended and voted upon by the Senate. The Committee makes its own recommendations to the Senate then discusses, amends, and votes on a Senate version.
- Inevitably, because of differences between the House and Senate versions, a Joint Conference Committee is formed. This body usually consists of six members — the chair and vice-chair of both Ways and Means Committees and a Republican minority member from each legislative body. The Conference Committee works out compromise solutions where differences exist in the House and Senate versions. The product of this Committee is sent to both the House and Senate for a final vote. Debate occurs, but no amendments can be offered.
- Once the budget is approved it is sent to the Governor for his signature. The Governor reviews it. He has ten days within which to make

line item vetoes (i.e. reject specific appropriations) and approve the remainder of the Budget.

- The legislature, if still in session, reviews the line items identified for veto and has ten days within which to override the Governor's line item vetoes if it so chooses.

BASIC HUMAN NEEDS

The programs in this section provide low and moderate income families with income and other forms of assistance necessary to maintain a decent standard of living for themselves and their families. Analysis includes income programs administered by the Department of Public Welfare (DPW) and housing assistance programs in the Executive Office of Communities and Development (EOCD).

Child Poverty

In the 1980s, children emerged as the population group with the highest incidence of poverty. One out of four children in the United States live in a family whose income is at or below the federal poverty line. In Massachusetts, 52,119 children or 15.5 percent of all children lived at or below the poverty level according to figures for 1985. Many analysts consider a family income which does not exceed 200 percent of the poverty line to be a better definition of low income. In Massachusetts, 112,798 children, 33.5 percent, live in a family whose income is 200 percent of poverty, $19,380 per year for a family of three in 1988.

Poor children are known to experience a high incidence of serious health and social problems including low birth weight and infant death, malnutrition, academic failure and school dropout, juvenile delinquency, and early pregnancy. The recent increases in reports of child abuse and neglect are concentrated in the low income neighborhoods of Boston and other cities where increased drug abuse and other problems associated with living in poverty are taking their toll on poor children.

Family Income

The Department of Public Welfare publishes an annual "Standard Budget of Assistance" which calculates the minimum income necessary for a family to maintain a decent standard of living in its own home. In 1988 and 1989, those figures established for a family of three are:

Category	1988	1989
Living in private housing (Greater Boston or Cape Cod)	$11,705	$12,570
Living in private housing (other parts of Massachusetts)	$10,920	$11,708
Living in subsidized housing (anywhere in Massachusetts)	$9,430	$ 9,922

Current AFDC (Aid to Families with Dependent Children) grants, including clothing allowances and rent supplements are 38 percent below these figures.

In 1988, the Human Services Coalition released a report, **Up the Down Escalator**, which documented the impact of state and federal programs on poor families. The study analyzed the monthly income and expenses of six families with a 1986 income ranging from AFDC level up to $15,000, approximately 150 percent of the federal poverty line. Also factored in were the in-kind income which each family could expect to receive from other federal and state programs including health insurance, subsidized child care, emergency assistance, food stamps, and school lunches. Each family's income fell at least $250 per month below its minimal expenses.

Housing

Housing is not only a basic necessity of life, it affects all aspects of a family's existence. It is the arena for family life and a base for participation in the job market and the education system.

The high cost of housing in many parts of Massachusetts has had a negative impact on low and moderate income families. The average cost of housing in Massachusetts for a two bedroom apartment is $701 per month, an increase of 20 percent since 1986. A family of three on AFDC receives $579 per month plus a $40 monthly rent supplement if the family lives in private housing.

A study conducted by the UMASS-Boston Center for Community Planning found that one-third of all people in Massachusetts were "shelter-poor" or lived in a family that paid more than 25 percent of its income for housing. While this population included thousands of homeless families, it also included many more thousands of moderate income families.

Homelessness

Homelessness is the most dramatic result of the high cost of housing and declining income of poor families in Massachusetts. A typical homeless person is a six-year old child. Roughly half of all homeless people in Massachusetts are children. In FY'88, 5,700 families needed emergency housing. In FY'89, that figure will certainly rise. In February 1989, 1,246 families were living in hotels and motels, an all time high.

Effects on Children

The above figures serve to illustrate the impact of low family income on the life of children. As many as one-third of all families in Massachusetts, most of those young families with young children, are living a life of constant struggle. Homeless families and those who rely on AFDC are in the most precarious state. Assistance programs which prevent homelessness or allow AFDC recipients to move off of welfare rolls respond to their immediate needs. However, those families often remain in a less than advantageous economic position which makes their life a continuing struggle.

The following programs in various agencies provide assistance to low and moderate income families.

DEPARTMENT OF REVENUE

Child Support Enforcement 1201-0160

FY'89 Appropriation: $19,611,346
Agency Request: $31,756,098
House 1: $19,420,478
House Ways & Means: $19,176,692

The Department of Revenue enforces child support payments in Massachusetts. Two-thirds of AFDC recipients and an additional 100,000 single parent families do not receive child support payments to which they are entitled.

SAC Recommendation:

Support House 1.

****

EXECUTIVE OFFICES OF COMMUNITIES AND DEVELOPMENT

Gateway Cities 3000-0301 3000-0302 3000-0303

FY'89 Appropriation: $7,174,388
Funds Released in FY'89: $3,174,388
Agency Request: $7,188,949
House 1: $3,184,019
House Ways & Means: $2,174,388

The Gateway Cities program provides grants and additional local aid to communities with large populations of recent non-English speaking immigrants. Gateway Cities has become an important source of discretionary funding for social services for populations in need of those services in areas with few other resources. The funds are awarded in the form of local aid according to a set formula and emergency grants. In FY'89, the Governor withheld about half of the local aid and all of the emergency grants. House 1 proposes to continue that level of funding.

SAC Recommendation:

Support Agency Request.

Rental Development Action Loans 3722-8878

FY'89 Appropriation: $0
Agency Request: $7,000,000
House 1: $4,730,000
House Ways & Means: $4,730,000

This is a loan program created by the 1987 Housing Bond legislation. It is intended to fill a gap which often exists between assistance provided in some state and federal housing development programs like SHARP loans, and the level of subsidy needed to make them affordable. The bond bill authorized the state to commit up to $10,000,000 in operating funds for these loans. An error in the original bill's language delayed the start up in FY'89. Given the delay in start up, advocates were disappointed in the funding proposed in House 1. EOCD explains that they have decided to use these funds for operating subsidies once projects are open for occupancy.

SAC Recommendation:

SAC recommends an increase of $5,300,000 over House 1.

Home Ownership Opportunity 3722-8880

FY'89 Appropriation: $0
Agency Request: $10,725,000
House 1: $5,000,000
House Ways & Means: $5,000,000

This program provides the Massachusetts Housing Finance Agency low-interest mortgage program with general revenues formerly provided through an independent trust fund. House 1 includes language authorizing $7 million in new commitments. EOCD requested $10 million in new commitments. The Affordable Housing Alliance asked for $30 million.

SAC Recommendation:

Support House 1 request but include language increasing level of new commitments to $30,000,000.

Neighborhood Housing Loans 3722-9001

FY'89 Appropriation: $834,968
Agency Request: $835,832
House 1: $835,478
House Ways & Means: $834,968

This is a revolving fund for loans to low and moderate income homeowners for repairs and improvements. House 1 is a maintenance budget.

SAC Recommendation:

Support $165,000 increase proposed by the Affordable Housing Alliance.

Homelessness Prevention 3722-9006

FY'89 Appropriation: $0
Agency Request: $10,886,116
House 1: $4,000,000
House Ways & Means: $4,000,000

This account funds the major portion of the administration's homelessness initiative. The appropriations will pay for 1,000 new Chapter 707 certificates. EOCD also plans to set aside 3,000 existing certificates expected to turn over in FY'90 and hold them for families at risk of homelessness. Advocates praise the outline of the program and are pleased to see EOCD prioritize low and moderate income families in danger of eviction or loss of their home. They are skeptical and think that the number of certificates proposed will be insufficient and will be used up entirely by those families already homeless. There are 1,246 families currently living in hotels and motels.

SAC Recommendation:

Support the agency request as a more accurate reflection of the level of need.

Supportive Services for Public Housing and Reserve 3722-9018 3722-9022

FY'89 Appropriation: $5,572,440*
Agency Request: $5,571,183
House 1: $5,530,514
House Ways & Means: $1,804,940

This account funds remedial education and employment and training programs for public housing tenants and other social programs such as day care centers. For the past several years the administration has been cutting back on this program providing funding each year equal to the amount spent the previous year. House Ways & Means would cut the program by two thirds.

* Includes Reserve account (3722-9022).

SAC Recommendation:

Support agency request.

Housing Subsidies

FY'89 Appropriation: $130,933,496
Agency Request: $170,371,541
House 1: $161,419,367
House Ways & Means: $152,916,832

This account funds a range of state housing subsidy programs for public, family, elderly and handicapped housing. The increase reflects no expansion but rather funding necessary to annualize FY'89's new Chapter 707 certificates and costs associated with new projects that come on line this year. House 1 does not include EOCD's requested 500 "project-based" 707 certificates. The Affordable Housing Alliance proposed 850 new project certificates.

SAC Recommendation:

Increase account by $3,400,000 to create 850 project-based certificates for use in mixed income housing projects.

SHARP 3722-9027

FY'89 Appropriation: $14,373,719
Agency Request: $24,980,212
House 1: $24,980,212
House Ways & Means: $24,019,435

This is a loan fund for mixed income housing projects. Appropriations reflect the cost of commitments made in previous years. Advocates focus attention on the language authorizing new commitments for future years. In FY'90 House 1 recommends an $8 million increase in the authorization ceiling, more than EOCD requested but $7 million less than proposed by the Affordable Housing Alliance.

SAC Recommendation:

Support House 1 funding, increase ceiling by $15 million.

Housing Services 3743-2036

FY'89 Appropriation: $2,258,440
Agency Request: $3,758,678
House 1: $2,626,331
House Ways & Means: $2,626,331

This homelessness prevention program provides workshops and counseling to tenants and landlords on managing finances and properties. It also funds tenant landlord mediation programs. House 1 annualizes the increase appropriated last year as part of a new homelessness initiative. EOCD requested $1.1 million expansion.

SAC Recommendation: Support agency request.

Emergency Fuel Assistance 3745-1000

FY'89 Appropriation: $16,996,000
Agency Request: $16,996,000
House 1: $16,996,000
House Ways & Means: $16,996,000

This program provides state funds to make up for cutbacks in the federal fuel assistance program and restrictions in federal guidelines. As many as 50,000 households may be eligible and not participating in the program. In recent years the state appropriation has not kept pace with federal cutbacks. In FY'89, the time period during which recipients could receive funds was cutback on both ends. House 1 level funds the account for FY'90, which will further tighten the program. This program is of particular interest to Councils for Children. Energy bills represent a large percentage of expenditures in OFC's Individual Kid Money program, which also was cut in FY'89.

SAC Recommendation: Increase account by at least $3 million.

****

DEPARTMENT OF PUBLIC WELFARE

Public Welfare Administration 4400-1000

FY'89 Appropriation: $33,407,905
Agency Request: 39,444,629
House 1: $141,196,940
House Ways & Means: $138,500,000
DPW has consolidated several accounts into this general administration account, including food stamp administration and Project Good Health. Consolidation is expected to save $5.2 million.

House 1 also adds $850,000 for 40 housing specialists in area DPW offices. The state pays only for the administration of the food stamp program, benefits are 100% federally funded. The average monthly caseload is 136,384 and is projected to increase by 879 in FY'90. About 150,000 children receive food stamps. An AFDC family of three receives a maximum benefit of

$145 per month. In FY'88, only 53% of all recipients of public assistance received food stamps, in programs other than AFDC the figure was far lower. For several years advocates have supported establishment of outreach mechanisms to increase participation in the food stamp and other food programs. No funds are included in House 1 for this purpose.

SAC Recommendation: Include food stamp outreach funds in House 1.

Employment and Training (E.T.) and Voucher Day Care 4400-100

FY'89 Appropriation: $74,457,531
Agency Request: $93,171,100
House 1: $79,853,409
House Ways & Means: $78,853,409

This account funds the E.T. Choices employment and training program and voucher day care. In FY'89, $28.8 million from this account funded E.T. and $48 million funded child care costs.

E.T. is the state's voluntary job training program for AFDC recipients. The program has placed 58,000 AFDC recipients in jobs since its inception in 1985. A key component is the provision of child care through vouchers for the duration of the training and for two years after entering the workforce. Since the first year of E.T., there has been a 38 percent drop in AFDC rolls for five years or more and the average length of stay has fallen from 37 months to 28 months. Minimum salary for new jobs is $12,000, $14,000 if the employer does not provide health insurance.

DPW expects to place 12,000 AFDC clients in jobs during FY'89. The House 1 budget for E.T. is a maintenance budget. Under the federal welfare reform plan, the state will receive $25 to 29 million in new funding to offset current state expenditures. (See Child Care Section for explanation of voucher day care program).

SAC Recommendation: Support House 1 expenditures for E.T.

Food Stamps 4400-1200

FY'89 Appropriation: $12,176,310
Agency Request: $13,556,795
House 1: $0
House Ways & Means: $ 0

This account in House 1 is folded into the DPW administration line item, 4400-1000.

SAC Recommendation:

See 4400-1000.

AFDC 4403-2000

FY'89 Appropriation: $557,218,393
Agency Request: $662,273,000
House 1: $593,103,222
House Ways & Means: $529,203,222

Aid to Families with Dependent Children (AFDC) provides monthly benefits to all financially eligible families in which one parent is absent or in two parent families in which the principal wage-earner has been unemployed for 30 days and is not receiving unemployment compensation.

For a family of three the AFDC grant currently stands at $539 per month, plus a $40 monthly rent supplement for recipients living in private housing. The FY'89 grant level rose 5.5 percent over FY'88. The basic grant is 33 percent below the federal poverty level of $807 per month, those receiving the rent supplement are 28 percent below poverty. Eighty percent of AFDC recipients receive food stamps. When the grant is increased the food stamp allocation is reduced. In FY '89, AFDC recipients receiving food stamps received a combined increase of 2.9 percent in their monthly income, below the inflation rate of about 4 percent during the same time period.

The AFDC caseload, after a steady period of decline since FY'83, may be increasing. Since July, 1988, it has increased by 2,400 families to 84,571. The projected average caseload in FY'90 is 84,100. This estimate may be low. The effects of a variety of factors, such as the pause in the state's economic growth and the increased rate of births to teens (one quarter of all babies born this year will be on welfare at some point during their first year of life), may drive this number up.

This account also funds an emergency assistance program for recipients including funding for shelter provided in emergency shelters and hotels and motels.

For FY'90, the Governor has proposed a 4 percent increase in the grant, a total of $22 per month for a family of three. The resulting loss in food stamps drops the proposed increase to 2 percent. The difference in the agency request and House 1 figures are explained by the lack of any grant increase in the agency request and House 1's inclusion of child support collection funds which will offset state expenditures by a projected $85 to $90 million.

Advocates, led by the Up and Out of Poverty Coalition have filed legislation requiring that AFDC payments be increased to the poverty line and that the rent supplement be increased to $250 per month. The Human Services Committee will offer a proposal to phase-in similar increases over a period of three years.

SAC Recommendation:

Support a phase-in of benefits up to the poverty level with an additional rent supplement. This would require an AFDC COLA of at least 8 to 10 percent in FY'90 to give recipients any reasonable chance of reaching the poverty level in the next three to five years.

General Relief 4406-2000

FY'89 Appropriation: $96,000,000
Agency Request: $109,141,116
House 1: $110,059,869
House Ways & Means: $110,011,438

This is the state-funded income assistance program for income eligible individuals and families who are not eligible for federal programs such as AFDC or SSI. A GR family of three receives $486.60 monthly plus the $40 monthly rent supplement if they live in private housing. About 1,700 families out of a total caseload of 24,708 currently receive General Relief. House 1 proposes the same 4 percent increase in benefits as in the AFDC program. Up and Out of Poverty advocates also support increasing GR benefits to the poverty level and the rent supplement for private housing residents.

SAC Recommendation:

Implement a phased-in increase to bring GR recipients up and out of poverty.

Homelessness Programs 4406-3000

FY'89 Appropriation: $28,481,284
Agency Request: $30,700,284
House 1: $31,474,878
House Ways & Means: $31,474,878

This account funds 50 to 75 percent of the cost of operating emergency shelters throughout the state. Families living in shelters are provided with food, clothing, medical care and housing search assistance, in addition to shelter. During FY'88, 5,700 families required emergency housing. In February of 1989, 1,246 families were living in shelters or hotels and motels, an all-time high. House 1 is a maintenance budget. The Administration proposes homelessness prevention programs in other accounts.

SAC Recommendation:

Support House 1.

CHILD AND FAMILY SUPPORT SERVICES

The system of support services to children and families in Massachusetts is under severe stress which could place thousands of the Commonwealth's most vulnerable citizens at risk of serious physical and emotional harm. An alarming increase in reports of chlld abuse and neglect coupled with the impact of the 1988/89 revenue shortfall on the human services system has seriously strained the resources available to the Department of Social Services.

In 1988, DSS received 61,747 reports of abuse and neglect of children, an 18 percent increase over 1987. Reports of sexual abuse of children have Increased 85 percent over the past five years.

Severity Increases

The severity and complexity of abuse cases involving children has increased. Experts are attributing this to increased drug and alcohol abuse by parents or other household members. DSS estimates that a majority of the reports of abuse in Boston are drug related. An HIV (AIDS) positive child enters the foster care system on the average of once each week.

Abuse Reports Increase Demands on DSS

Increased reports of abuse have increased the demand for all forms of services provided by DSS. Out-of-home placements in foster care and group care in 1988 increased by nine percent over the previous year. The Department projects a similar increase in FY'90. Since FY'81, the total DSS caseload has increased 25 percent to the current level of 69,237. In the area of day care, DSS has 700 children waiting for protective day care as of early February, 1989.

DSS personnel working to respond to these troubling events are further hampered by the impact of the state revenue shortfall. Many social workers' caseloads are well above the limit of 18 to 20 stipulated in the union contract and court orders. Through attrition and lay-offs the agency ratio of support staff to direct care staff has fallen by 50 percent. DSS is delivering services to 25 percent more people than in 1980, but has fewer staff than it did in 1980.

It's Never Too Soon

In 1988, the Special Commission on Violence Against Children and EOHS released "Its Never Too Soon: A Blueprint for Preventing Child Abuse by Strengthening Massachusetts Families." The report calls for a major public/private initiative to address the root causes of child abuse and neglect. It includes recommendations for all sectors of Massachusetts society — state and local government, law enforcement officials, local communities, philanthropies, employers, and human service providers to play a role in five areas:

- **Changing attitudes and beliefs** — to support attitudes which are supportive of families and intolerant of family violence.
- **Meeting basic family needs** — to promote policies which will assure that the basic needs of all Massachusetts families are adequately supported.
- **Changing institutional responses to families** — to promote policy and instltutional changes which are responsive to the changing needs of families.

- **Supporting parents in their caretaking roles** — to provide a continuum of family and education support services which prepare and assist adults in their parenting responsibilities.
- **Teaching and supporting children** — to provide education, skill-building and supportive programs for children which enhance healthy development and help children thrive in safer environments.

The following accounts in the Department of Social Services and the Office for Children fund protective and preventive services for children at risk of abuse and neglect.

OFFICE FOR CHILDREN
Field Operations
4130-0005

FY'89 Appropriation: $10,600,000
Funds Released in FY'89: $10,600,000
Agency Request: $13,392,422
House 1: $11,252,661
House Ways & Means: $9,471,921

This account funds OFC's Help for Children and Community Development Programs, and its Licensing Division. OFC operates Community Development and Help for Children out of 43 local offices, and licenses over 11,000 child care and other children's service agencies. The account also funds day care training and the affordability scholarship program for moderate income families. OFC currently has a 13 percent staff vacancy rate, which has hampered its ability to maintain its programs. The agency request would restore a $980,000 cut from the base in FY'88 and FY'89 and annualize $220,000 in fixed costs for a total of $1.2 million and fund the following expansion: additional day care training money, additional licensors, $350,000 for a statewide information and referral hotline connected to Help for Children; $65,000 for an OFC contribution to the Lawrence Futures program; and $600,000 to pilot a grant program where the state would match 25 percent of an employer's child care tuition assistance benefit plan for its employees. House 1 restores $300,000 in the base.

SAC Recommendation:

Support agency request.

Children's Trust Fund 4130-0009

FY'89 Appropriation: $150,000
Funds Released In FY'89: $112,000
Agency Request: $400,000
House 1: $311,946
House Ways & Means: $215,000

The Children's Trust Fund and a Child Abuse Prevention Board were established at the Office for Children in FY'89. The Board, which is appointed by the Governor, is authorized to raise funds from public and private sources and decides where and how to spend these funds. The Trust Fund's initial mandate is set forth in a report issued by EOHS and the Special Commission on Violence Against Children, "It's Never Too Soon: A Blueprint for Preventing Child Abuse by Strengthening Massachusetts Families." The comprehensive report includes recommendations to six different sectors in the community — the neighborhood institutions, schools, health, social services, courts, and employers. With funds raised via a fundraising and media campaign, the Fund will support community-based prevention programs. The development of a statewide network to prevent child abuse and neglect is crucial in light of the rising number of abuse and neglect reports.

House 1 annualizes the staff positions for the Trust Fund and transfers $115,000 from the Department of Social Services.

SAC Recommendation: Increase to total appropriation of $500,000.

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DEPARTMENT OF SOCIAL SERVICES

Permanency Services 4800-0020

FY'89 Appropriation: $17,779,250
Agency Request: $21,614,604
House 1: $20,216,936
House Ways & Means: $20,216,936

This account funds administration and implementation of DSS adoptive services including adoption subsidies, guardianships, homefinding, case management, placement, information and referral, and funding for the 24-hour child at-risk hotline. Rate of reimbursement for adoptive parents was increased 3.8 percent in FY'89. The FY'89 adoption/guardianship caseload is 3,371 and projected at 3,621 for FY'90. The FY'89 budget for adoption subsidies is in deficit by $2.4 million. Without a deficiency appropriation to this account subsidies will run out in the spring.

SAC Recommendation:

Support a $1,600,000 increase over House 1 to meet current commitments in this account.

Adolescent Treatment and Assessment 4800-0023

FY'89 Appropriation: $2,744,367
Agency request: $3,061,698
House 1: $2,802,685
House Ways & Means: $2,802,685

This account funds DSS's six small, four to seven bed, short-term residential diagnostic and treatment centers for troubled adolescents. These programs are staff secure and are expected to serve over 100 adolescents in FY'89 and FY'90. The projected turnover of beds throughout the year is approximated at 25 to 30. As of the end of January, 1989, there are approximately 40 adolescents waiting for the short term diagnostic programs and another 50 waiting for the longer term treatment programs.

Although the final FY'89 budget approved the creation of 31 new beds, there is only six month funding for seven new beds in FY'89.

House 1 is over $200,000 lower than the agency request. There is no expansion in either the agency request or House 1. Providers will receive a 4.25 percent COLA effective January 1, 1990.

SAC Recommendation:

Support the agency request.

Foster Care Review 4800-0025

FY'89 Appropriation: $2,273,588
Agency Request: $2,530,896
House 1: $2,271,285
House Ways & Means: $2,271,285

This program conducts case reviews of all children in substitute care in the state. The reviews are required by law every six months. Review panels include three members — a staff reviewer, a DSS direct care worker, and a volunteer.

The reviews assess individual services received by the child and progress toward reunification with the natural family. House 1 reduces the FY'89 appropriation by $2,000.

SAC Recommendation: Support House 1.

New Program Reserve 4800-0028

FY'89 Appropriation: $4,000,000
Funds Released in FY'89: $0
Agency Request: $0
House 1: $0
House Ways & Means: $ 0

This account funds expansion initiatives in DSS. DSS proposes no expansion in FY'90. Of note, however, is the Governor's withholding of funds for increased foster care reimbursements and other new services to foster parents — clothing allowance, 24 hour foster parent hotline, pool of funds to cover extraordinary expenses — in FY'89. These funds are not in this account nor in the new foster care account in House 1 budget for FY'90.

SAC Recommendation: No expansion recommended, see following accounts.

Foster Care 4800-0030

FY'89 Appropriation: $0
Agency Request: $0
House 1: $46,615,589
House Ways & Means: $46,615,589

This is a new account for all DSS foster care services including reimbursements to foster parents, clothing allowances, extraordinary expenses, and training. Funds were formerly included in the regional direct services account. In FY'89, the foster care caseload is 6,613, projected to increase to 7,125 in FY'90. House 1 is a maintenance budget and does not include the foster care services moneys withheld in FY'89.

SAC Recommendation: Fund the final recommendations of the Special Commission on Foster Care including increased reimbursements, supplemental reimbursement for extraordinary expenses, 24-hour support system, and medical supervision at a cost of $2,640,000 over House 1.

Regional Direct Services 4800-0200

FY'89 Appropriation: $112,016,710
Agency Request: $146,175,863*
House 1: $81,402,366
House Ways & Means: $75,401,068

This account, as well as funds from retained revenues and the federal social services block grant, provides the bulk of funding for DSS direct services. In FY'90, foster care services will be paid for out of a separate account. The services provided include comprehensive emergency services, case management, community residential services, counseling, family planning, mediation, parent aides, emergency shelter and transition to independent living, as well as funding for over 1700 DSS social workers. It includes most of the funding for DSS's contribution to the administration's homelessness prevention initiative and supports homelessness specialists who provide information and other assistance directly to families at risk of homelessness. The account does not include funding for ten new transition to independent living programs — a $650,000 allotment for these programs was withheld by the Governor in FY'89. In FY'89 the foster care and regional direct services accounts are in deficit by a combined $11 million. The FY'90 deficit could be as high as $18 to $20 million. House Ways and Means cuts the base by an additional $6 million.

*This figure includes retained revenue and reserve accounts.

SAC Recommendation:

Support the agency request, which is approximately $15 over House 1.

CHILD CARE

FY'90 will mark the fifth year since the implementation of the Governor's Day Care Initiative. Designed and implemented according to recommendations from the Governor's Day Care Partnership Project, the initiative greatly expanded the Commonwealth's role in providing direct care and supportive services to child care consumers. The Commonwealth's provision of additional child care subsidies to low income families, improved assurance of quality care, new information and referral network for parents, and efforts to increase the employer's role in supportive child care have put Massachusetts in the forefront of state efforts to improve the public-private child day care system.

Despite these great strides, two factors - the continuing movement of women into the workplace and the increasing cost of child care - require the sustained efforts of all concerned to further improve the supply of affordable high quality child care for all those who need it.

Need for Programs

According to a study released in June of 1988 by the Massachusetts Office for Children and the United Way of Massachusetts Bay in 1986, there were 927,000 children ages thirteen years and under living in the Commonwealth. Nearly 60 percent, 550,000 children, lived in a family where both parents work or in a single-parent family where the resident parent works. It is projected that by 1995, almost 670,000 Massachusetts children under thirteen years of age will have employed mothers. Assuming workforce participation increases at an anticipated rate, an estimated 250,000 pre-school and 161,000 school-age children will need non-parental care in 1995, an increase of 23 percent in less than ten years. In addition, the study estimated that 51,000 parents not working outside the home would enter the workforce if they could find child care they could afford.

Making Child Day Care Affordable

Most forms of unsubsidized full-time child care cost $2 to $3 per hour or $5,000 to $7,500 per child per year. For those who use it, the cost of child care is exceeded only by the cost of housing, food, and sometimes transportation, as a portion of the overall family budget. The burden on low and moderate income families to pay for child care is tremendous. Child care experts define "affordable child care" as child care which costs a family ten percent or less of its before tax income.

The OFC/UW report on day care affordability found that half of Massachusetts' low income families paid ten percent or more of their income for child care, 39 percent paid more than 15 percent. Using the ten percent standard, families would need an income of $50,000 per year before the cost of full time unsubsidized care for one child would become a manageable expense.

Public Policy Response

In FY'88, the Commonwealth provided child care subsidies to 29,550 children at a cost of over $145 million. The Department of Education funded early childhood education programs for a total of 15,000 additional children, mostly on part-time basis, at a total cost of $10 million and $4.5 million in subsidies to Head Start programs. In FY'89, the Commonwealth will spend similar

amounts serving the same number of children. In a one-time pilot program, day care scholarships are also being provided to a small number of moderate income families. It would cost the state an additional $200 million to provide subsidies to all families whose income is less than $36,000 per year for a family of three.

Despite the significant resources the Commonwealth has committed to expanding the supply of affordable child care, the resources cannot meet the demand. Fewer than half of the eligible families with children enrolled in licensed child care programs receive a state subsidy. In February of 1989, DSS had a waiting list of over 700 children for protective day care services. Many thousands of families continue to pay more than they can reasonably be expected to afford to have child care and remain in the workforce. Over 40 percent of the mothers not currently employed report that they would look for work or enter school or a job training program if satisfactory child care were available (OFC/UW study, 1988).

Benefits of Investing in Child Care

Continued public as well as private efforts to increase the supply of good affordable day care is essential in Massachusetts. A sound child care system enables more parents to enter and remain in the workforce while the state benefits from increased tax revenues and decreased welfare dependency. Investment in child care also benefits the social and intellectual development of children. Good child care contributes to lower rates of academic failure, delinquency, and teen pregnancy and reduces the need for special education services.

Long Term Solutions

State policy makers and child care providers and early childhood education programs are actively seeking long term answers to the need for additional affordable child care. The Affordability Task Force which sponsored last year's OFC/UW study continues to monitor the need for resources for moderate income families. The Statewide Advisory Council held a series of public hearings on the public schools and child care. From those hearings the SAC will issue a set of recommendations to the Executive Office of Human Services (EOHS) and DOE on how the public education sector and private child care providers can maximize existing resources to provide early childhood education to all our children. Finally, the Legislative Commission on Universal Child Care for three and four-year-olds will hold hearings and issue a preliminary report in FY'89.

Resources Available

In FY'90, Massachusetts will receive $25 to $29 million in federal revenue for complying with the provisions of federal welfare reforms enacted in 1988. These funds can be spent on child care and other assistance programs for low income families to help these families move off welfare. The budget proposed by the Administration targets the entire amount to subsidize current programs, rather than to use the funds to improve opportunities available to low income families.

EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

Supportive Service And Reserve 3722-9018 3722-9022

FY'89 Appropriation: $5,572,440*
Funds Released in FY'89: $5,530,514
Agency Request: $5,571,183
House 1: $5,530,514
House Ways & Means: $1,804,940

This account funds remedial education and employment and training programs for public housing tenants. Some funds are used for ongoing operating costs of day care centers in public housing projects. In recent years this account has been less than level-funded, reflecting the amount actually spent in the previous year.

*Includes Reserve Account (3722-9022)

SAC Recommendation:

Support agency request. EOCD should conduct a needs assessment to determine if additional funding is necessary for this program.

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EXECUTIVE OFFICE OF HUMAN SERVICES

Provider Salaries 4000-0770

FY'89 Appropriation: $17,300,000
Agency Request: $20,900,000
House 1: $0
House Ways & Means: $0

In FY'89, this account funded provider salary increases. The Governor's budget includes a total of $21.6 million in various direct service accounts to increase provider salaries by 4.25 percent effective January 1, 1990.

Although this increase is the equivalent of 2.125 percent over the course of the full year, withholding the raise until the last six months will increase the base for FY'91.

SAC Recommendation: Make the increase effective on July 1, 1989.

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OFFICE FOR CHILDREN

Office of the Commissioner 4130-0001

FY'89: $1,447,962
Agency Request: $1,629,106
House 1: $1,510,443
House Ways & Means: $1,447,962

This account funds OFC central office expenses and a contract with the Disabilities Law Center to represent individual children in special education appeals. The agency request would have restored the base which was cut in FY'88 and FY'89. House 1 maintains the FY'89 level of services.

SAC Recommendation: Support agency request.

Field Operations 4130-0005

FY'89 Appropriation: $10,600,000
Funds Released in FY'89: $10,600,000
Agency Request: $13,392,422
House 1: $11,252,661
House Ways & Means: $9,471,921

This account funds OFC's Help for Children and Community Development Programs, and its Licensing Division. OFC operates Community Development and Help for Children out of 43 local offices, and licenses over 11,000 child care and other children's service agencies. The account also funds day care training and the affordability scholarship program for moderate income families. OFC currently has a 13 percent staff vacancy rate, which has hampered its ability to maintain its programs.

The agency request would restore a $980,000 cut from the base in FY'88 and FY'89 and annualize $220,000 in fixed costs for a total of $1.2 million and fund the following expansion: additional day care training money, additional licensors, $350,000 for a statewide information and referral hotline connected to Help for Children; $65,000 for an OFC contribution to the Lawrence Futures program; and $600,000 to pilot a grant program where the state would match 25 percent of an employer's child care tuition assistance benefit plan for its employees. House 1 restores $300,000 in the base.

SAC Recommendation: Support agency request.

Child Care Resource and Referral 4130-0016

FY'89 Appropriation: $1,835,918
Agency Request: $2,855,284
House 1: $1,934,631
House Ways & Means: $1,834,631

This account funds the statewide network of twelve child care resource and referral (CCR&R) agencies. A key recommendation of the day care partnership project, the CCR&R's helped more than 35,000 parents locate child care in FY'88. The agencies also work with local corporations interested in assisting their employees in making child care arrangements, provide technical assistance to prospective new providers, and provide day care worker training. In FY'89 CCR&R's received a 3.8 percent COLA.

The CCR&R's and other day care advocates feel that the level of state reimbursement for services is inadequate to meet expectations of services to be provided.

The agency request included $1 million in expansion for additional services and establishing a thirteenth CCR&R. House 1 is a maintenance budget.

SAC Recommendation: Support agency request.

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DEPARTMENT OF PUBLIC WELFARE
Employment and Training, Voucher Day Care
4400-1009

FY'89 Appropriation: 74,457,531
Agency Request: $93,171,100
House 1: $79,853,409
House Ways & Means: $78,853,409

This account funds the E.T. Choices and voucher day care program. E.T. participants and graduates are provided with child care vouchers to enable them to participate in the program. Through FY'89, 10,170 E.T. graduates will be using child care vouchers. E.T. graduates, who earn $15,000 on average, often find child care is unaffordable once their voucher runs out since new DSS work-related slots are not available. E.T. graduates must shift from voucher to work-related slots in one to two years from graduation. Advocates are concerned about the lack of available day care subsidies.
The agency request would fund an additional 1,240 child care slots. House 1 funding will support 600 fewer slots than in FY'89. The state will receive $25 to $29 million in additional revenue for the programs in this account due to federal welfare reform. Instead of using these funds to move recipients into the workforce, House 1 proposes to use The funds to substitute for state dollars. Child care advocates support spending $14.87 million of those funds for child care expansion and day care training.

SAC Recommendation:

Day care services are underfunded in FY'89 and in House 1. Some of the new revenues from welfare reform must be targeted for expansion of services for low income families.

DEPARTMENT OF SOCIAL SERVICES
Day Care
4800-0060

FY'89 Appropriation: $95,925,259
Funds Released in FY'89: $94,925,259
Agency Request: $102,978,090
House 1: $102,530,209
House Ways & Means: $102,530,209

This account provides funding for child care services provided by private contracting agencies. In FY'89, DSS will provide services to 13,700 low income children, 4,000 children in need of protective day care, and over 400 teen parents. The Department has 420 fewer contracted work-related day care slots and 117

fewer contracted supportive day care slots this year. In addition, funds for 100 low income, 85 protective, and 85 teen parents were withheld by the Governor. The account has an FY'89 deficit of at least $1 million which DSS hopes to cover with child care funds transferred from DPW. **Seven hundred children** are currently on waiting lists for protective child care.

The FY'90 agency request reflects sufficient base funding to provide all services. House 1 is $400,000 less than the agency request. There is no expansion in the agency request or House 1. Contractors will receive a 4.25 percent COLA effective January 1, 1990.

Advocates and providers are requesting that $14.87 million in welfare reform revenues pay for expansion of services, increased compensation for services, and other support for day care.

SAC Recommendation:

Target welfare reform funds to expand child care services.

DEPARTMENT OF EDUCATION
Early Childhood Education
7030-1000

FY'89 Appropriation: $10,000,000
Agency Request: $19,710,000
House 1: $10,000,000
House Ways & Means: $10,000,000

This Chapter 188 program funds school districts to establish publicly run preschool, enhanced kindergarten, transition to first grade, and early childhood education programs. Seventy five percent of all funds are targeted to low income school districts. Provision of early childhood education is identified by the Board of Education as a priority for the next several years; the Board hopes to provide universal early childhood education by FY'92. In FY'89, the program will serve 139 communities; 2,000 three-year-old students, 3,000 four-year-olds, and 15,000 five-year-olds. Forty-seven percent of all programs are part-day, 34 percent are enhanced kindergarten, 9 percent extended day, and 4 percent transitional. An evaluation of the program conducted by Abt Associates cited the program's relationship with the child care community and lack of available space as unresolved implementation issues. These findings were confirmed by the Statewide Advisory Council's 1988 public forums on child care and the public schools.

The agency request reflected the amount necessary to fund all school districts applying for funds in FY'89. House 1 level funds the program.

SAC Recommendation: Support the agency request.

Head Start 7030-1500

FY'89 Appropriation: $6,000,000
Agency Request: $6,000,000
House 1: $6,000,000
House Ways & Means: $6,100,000

This account provides subsidies to federally funded Head Start programs to support salary increases and expansion of services. Reflecting the growing number of young children living in at-risk family situations, the DOE budget narrative proposes to develop a $1 million pilot program to establish a model parent education program, "Parents and Children Together," for parents of low income children under age five. This figure is not included in the agency request under any DOE account.

SAC Recommendation: Support House 1.

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EXECUTIVE OFFICE OF ECONOMIC AFFAIRS

Corporate Child Care 9000-0104

FY'89 Appropriation: $73,250
Agency Request: $73,483
House 1: $73,250
House Ways & Means: $185,000

This account funds a staffperson at EOEA to oversee the Commonwealth's Corporate Child Care Project, a program which encourages businesses to invest in child care. Some of these funds are awarded to CCR&R's to follow up on business contacts made by the Corporate Child Care Project, and develop materials to market child care to businesses. The account has decreased from $100,000 in FY'88. The current appropriation is inadequate to develop needed materials and respond to businesses interested in child care.

SAC Recommendation: Restore account to its FY'88 base of $100,000.

CHILD HEALTH, NUTRITION AND SAFETY

Providing for the health, nutritional needs, and safety of children and adolescents from birth through 21 years of age continues to be a strong area of concern and commitment for the Commonwealth.

Health Care For All

In 1988, the Legislature enacted Chapter 23, the Health Security Act, which committed the Commonwealth to making health insurance available to most, if not all, uninsured Massachusetts citizens. In FY'89, the first steps are being taken to implement this law. So far, about 12,000 people have been insured, over half under the provisions of Welfare to Work. This leaves approximately 590,000 individuals uninsured, an estimated one-third of whom are children.

Health Security In Massachusetts

Program Name	Enrollment as of 2/20/89
Welfare to Work	6,618
Disabled Adults	329
Disabled Children	174
Pregnant Women*	3,092
Children Under 5*	1,784
Total	11,997

*Covered as a result of federal Medicaid changes.

Staying Alive

While this is an important step, recent statistics indicate that our youth are at serious risk and that just staying alive is an issue for our children. A 1988 report, prepared by the Massachusetts Department of Public Health (DPH) for the Special Legislative Commission on Violence Against Children, summarized the findings of the Massachusetts Child Death Study.

In examining the records of the 1,332 Massachusetts children ages birth to 19 who died in 1985, the study found that the causes of death were different for children from birth to one year than for older children, and that many of these deaths could have been prevented. In 1985,

- 750 children died before their first birthday; 90 percent of these deaths were due to perinatal conditions, congenital anomalies, and Sudden Infant Death Syndrome. A total of 18 infants died from injuries; 11 were homicides.
- 582 children age one to 19 years died. Of these, 386 were due to injuries. The leading causes of injury-related death were motor vehicle-related accidents, suicide and homicide.

The study found a strong link between the cause of death and such factors as race, sex, age, and socioeconomic status:

- Children in poor communities were more than twice as likely to die as children in wealthy communities.
- Black children were twice as likely to die as white children.
- Young children were injured most frequently in or around the home.
- 88 percent of all injury deaths among 15 to 19 year-olds resulted from motor vehicle accidents - of which many involved substance abuse, suicide or homicide.
- Victims of motor vehicle accidents were most likely to be white suburban males.
- White male teens are the most frequent suicide victims.
- Minority males in Boston faced the greatest risk of homicide.

Data indicate that for each child who dies, 45 children are admitted to a hospital and 1,300 require emergency room treatment for injuries.

Saving Lives, Preventing Violence

The report indicates that adolescent deaths can be prevented by reducing substance abuse, risk taking behavior associated with high speed motor vehicle use and teaching youths alternatives to intentional violence against other persons.

DPH has redeployed resources to focus on preventing interpersonal violence and intentional injuries. However, current resources are not enough. Expansion funds are needed to supplement the $60,000 received from the Governor's Anti-Crime Council. These funds would be used to set up pilot programs in schools and high-risk communities.

For children under one year, prevention strategies connected with prenatal and perinatal health care are indicated. Although
the chances of an infant surviving the first year of life has improved somewhat in the past year, it is still high among certain populations. From 1980 to 1987, the white infant mortality rate declined a total of 33.3 percent; while the Black infant mortality rate declined only 6.6 percent. In FY'87, the infant mortality rate for black infants was 135 percent higher than the white infant mortality rate.

Prenatal Care Makes Healthier Babies

There seems to be a direct connection between adequacy of prenatal care and the neonatal death rate - deaths occurring in the first 28 days of life. In 1985, there was a sharp increase in neonatal deaths, especially among Black infants. That same year the adequacy of prenatal care for Blacks dropped from 69.2 percent to 60 percent; currently only 59.9 percent of Black mothers receive adequate care. For all child bearing women, the number of mothers receiving adequate prenatal care has decreased and reached an all time low for the 1980's of 78.2 percent in 1987. This was in spite of expansion in programs such as Healthy Start and Medicaid. Teens are three and one half times more likely to receive inadequate and no prenatal care than women over age 19.

Teen Pregnancy

With the increase in teen births in the past year, expansion is needed in adolescent health programs and in outreach to get teens involved in Healthy Start, WIC and other essential health and nutrition programs. The teen birth rate for females 15 to 19 years-old increased from 28.1 births per 1,000 in 1980, to 32.0 per 1,000 in 1987.

AIDS and Adolescents

Teen are also at risk for infection with the AIDS virus. Comparative epidemiology of AIDS cases in adolescents and adults, reveals that adolescents with AIDS are more likely to be female, minority, with heterosexual contact as the primary transmission category. There is also an increase in sexually transmitted diseases among adolescent females, indicating increasing high-risk heterosexual activity. The incidence of AIDS among IV drug users is also increasing. This is especially alarming when one examines a 1988 survey of Boston high school students which found:

- 3 to 4 percent reported injecting illegal drugs;
- 1 to 2 percent reported sharing needles;
- 2 percent reported having sexual intercourse with an IV drug user.

Feeding Mothers and Children

Over the past several years, Massachusetts has consistently increased state support to the Women, Infants and Children Program (WIC) to make up for federal budget cuts in this program. WIC provides food and nutrition education to low income pregnant women and to infants and children up to five years of age. About half the number of eligible women and children in Massachusetts are served. Although the WIC caseload increased substantially from July, 1987, to June, 1988, the growth cannot be maintained in FY'89. State and projected federal food dollars will support a caseload of 70,034; this is over 3,000 below the current caseload. DMH has initiated an infant formula rebate program which will save money and allow expansion. House 1 recommends using this "savings" to fund the base. Advocates feel this is a set back for the WIC program and could adversely affect federal funding.

Serving Handicapped Children

Advocates are also concerned with the lack of expansion in services to handicapped children. The FY'89 expansion in early intervention programs designed to serve an estimated 300 children at risk of developmental disability was frozen; there are at least 1,000 eligible children on waiting lists for early intervention programs. House 1 cuts handicapped children's services by accelerating the phase out of the handicapped children's clinics, without funding the alternative services DPH feels are necessary. These cuts could also affect adolescent and women's health services which are funded out of the same account.

Keeping Massachusetts children alive will require extensive efforts to expand health and nutrition programs for pregnant women and reduce risk taking behavior among adolescents.

There is no expansion in House 1; in fact, current programs may be cut as a result of overall shortfalls in the Parent, Child and Adolescent Health Account, Healthy Start, and WIC. Advocates are also concerned that the lack of state support for the free care pool will undermine implementation of the Health Security Act. Recently some hospitals refused to sign contracts with the Department of Mental Health to develop adolescent psychiatric units because they were still owed Medicaid payments.

CHILD HEALTH, SAFETY AND NUTRITION

EXECUTIVE OFFICE OF HUMAN SERVICES

Teen Pregnancy Prevention Challenge Fund 4000-0720

FY'89 Appropriation: $1,320,295
Funds Released in FY'89: $1,320,295
FY'90 Request: $3,389,637
House 1: $1,152,780
House Ways & Means: $1,387,637

The Teen Pregnancy Prevention Challenge Fund helps communities with high teen birth rates address the problem of teenage pregnancy. In FY'89 five communities are Implementing prevention programs. They are Springfield, Holyoke, Chelsea, Fall River and Lawrence. Another 13 communities received grants to develop action plans to prevent teen pregnancy. At least $2 million in expansion is needed in FY'90 to implement these action plans.

House 1 will allow only those communities with implementation grants to continue.

SAC Recommendation:

Increase funding to $3.5 million to ensure that all 18 communities involved in the Challenge Fund are able to implement local teen pregnancy prevention plans.

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DEPARTMENT OF PUBLIC WELFARE

Project Good Health 4400-1400

FY'89 Appropriation: $1,433,857
Funds Released in FY'89: $1,433,857
FY'90 Request: $1,452,772
House 1: $0
House Ways & Means: $0

Project Good Health is a preventive health program targeting all Medicaid recipients under the age of 20. It provides health care through regular office visits, and includes health and nutrition education. This account pays for the administration of Project Good Health, while the actual health services are funded through Medicaid (4402-5000).

Staff for Project Good Health serve as Health Benefits Advisors, providing families with Information on the Health Choices and CommonHealth Programs. DPW projects 40,000 Health Choices enrollees and 25,000 in CommonHealth In FY'89.

House 1 folds this account into Medicaid Administration - 4400-1000 (see Basic Human Needs Chapter) along with Local Offices, Food Stamp Administration, and Data Processing. The combined agency request totals $149.67 million; House 1 recommends $141.2 million. Advocates are concerned this is not enough to maintain current case loads. DPW's request is to maintain 56 Health Care Advisors.

SAC Recommendation:

Support funding for 56 Health Care Advisors in the Administration Account.

CommonHealth 4400-4000

FY'89 Appropriation: $8,000,000
Funds Released in FY'89: $8,000,000
FY'90 Request: $18,553,000
House 1: $8,685,625
House Ways & Means: $8,000,000

CommonHealth is a new program developed in FY'89 as part of the state's new health care law, Chapter 23. CommonHealth provides health insurance coverage to four populations: families with children who have left AFDC for employment, pregnant women and young children, disabled adults who would like to work but cannot afford to lose Medicaid coverage, and disabled children who are not eligible for Medicaid.

This account funds coverage for disabled adults and children; the Welfare to Work population and pregnant women and children receive coverage through Medicaid.

Parents of disabled children may purchase full or supplemental health insurance for their disabled child on a sliding fee basis. During the first year, fewer disabled adults and children enrolled in the program than expected. It was estimated that 1,000 disabled children and 2,000 disabled adults would participate. Enrollment as of February, 1989, is only 174 children and about 329 adults, but the rate of enrollment has been increasing as the program becomes more known. For children to be eligible, they must meet the relatively restrictive federal standard for disability. Many children with serious medical problems do not qualify.

Because participation in the program has been very slow, House 1 is adequate to cover current estimates that 1,500 disabled children and adults will enroll in FY'89 with another 700 enrolling in FY'90.

SAC Recommendation:

Support House 1.

Medicaid (Basic) 4402-5020

FY'89 Appropriation: $1,543,120,000*
Funds Released in FY'89: $1,543,120,000
FY'90 Request: $2,011,545,000
House 1: $1,826,849,000
House Ways & Means: $1,826,849,000

The Medical Assistance Program (Medicaid) is a state administered, state and federally funded medical program for financially and medically eligible families and individuals. In FY'89, Massachusetts will be reimbursed by the federal government for 50 percent of its Medicaid expenditures. Payments are forwarded directly to health care providers.

While this is the largest single item in the state budget, more than half of the Medicaid budget is used to provide for those who do not receive any form of cash assistance. Most of them are elderly and disabled patients who make up 35 percent of the caseload, but account for 75 percent of the expenditures.

Children and families make up 65 percent of the caseload, but account for less than 25 percent of Medicaid expenditures, mainly because they routinely use less costly outpatient care and short term acute hospital inpatient services. The Medicaid caseload has expanded to cover pregnant women up to 185 percent of the federal poverty level. About 4,000 pregnant women will benefit from this expanded coverage.

Beginning in FY'88, the Kaileigh Mulligan program enabled families with severely disabled children to care for their children at home and still receive Medicaid. There are now about 110 children in this program, about twice the number in FY'88.

House 1 consolidates 11 accounts into a single account which is only 1.5 percent above FY'89 expenditures if one leaves out the Medicaid for the Blind expenditure for FY'90. House 1 assumes medical inflation will drive expenditures above this modest increase, and offsets these increases with $278.8 million in savings, of which $222.7 million are new savings proposals.

The largest savings measure, $52 million, would change much of the chronic hospital law passed in 1988, and proposes the downgrading of many of these facilities to nursing home status. Legislators are skeptical about the feasibility of this. A proposal to save another $20 million through selective contracting would limit Medicaid patients to certain hospitals for specific procedures. This raises questions as to whether the patient's physician would agree that the procedure is best performed at the cheaper place or whether the patient's physician practices within that facility. Reducing rates paid to outpatient departments in hospitals is intended to save $10 million while encouraging physicians to see patients in their offices. This proposal may in fact make it likely that some physicians will not be interested in seeing Medicaid patients in either setting at the low reimbursement rate.

There are also proposals to regulate the state's nursing pools, reduce the "administrative day rate" and to implement the federal transfer of assets law by July 1, 1989. It is projected that $40 million would be realized by placing liens on the homes of people placed in nursing homes. This last proposal has been rejected by the legislature.

In evaluating the effect of these proposals on families and children, advocates oppose those changes which limit an individual's access to care, either by directly curtailing a service or by creating a situation where the health care provider has no incentive to offer care to the poor.

One savings initiative which is not prominent in House 1 made certain services federally reimbursable that are now provided wholly paid by the state. Personal care assistance for the disabled is now reimbursable; case management and some other community services could be and are in many other states.

***NOTE:** The Medicaid program for the Blind has been moved from Massachusetts Commission for the Blind to this account in House 1. Even with extensive savings efforts, both accounts are running a deficiency in FY'89. A Medicaid supplemental budget request of $192.5 million has been filed. For a true comparison between FY'89 expenditures and House 1, both account appropriations should be considered and both deficiencies added together. **FY'89 appropriations plus DPW deficiency of $192.5 million and MCB deficiency of $13.7 million equals $1.799 billion.**

SAC Recommendation: Oppose savings initiatives which limit access to services.

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DEPARTMENT OF PUBLIC HEALTH

Community Health Centers 4510-0110

FY'89 Appropriation: $1,474,752
Funds Released in FY'89: $1,474,752
FY'90 Request: $1,609,017
House 1: $1,362,204
House Ways & Means: $1,474,752

Operational grants are awarded to community health centers to provide primary care (obstetrics and gynecology, adolescent/ pediatrics, and adult medicine), dental health, social services and administrative services.

In FY'89, 41 community health centers received grants, but at a level 11 percent lower than FY'88 grants. In FY'88, 29,000 patient visits were funded through these grants; in FY'89 the number of patient visits dropped to 25,000. DPH had hoped to restore these cuts in FY'90.

House 1 funds maintenance at a lower level and eliminates $110,000 in contracts to health centers serving high risk patients. Purchase of service contracts will have to be cut another eight percent, **resulting in 2,000 fewer patient visits in FY'90.**

SAC Recommendation:

Restore cuts in base by increasing funding to $1,663,198.

Environmental Health 4510-0600

FY'89 Appropriation: $3,422,134
Funds Released in FY'89: $3,422,134
FY'90 Request: $3,606,847
House 1: $3,392,699
House Ways & Means: $3,379,458

The Bureau of Environmental Health uses both federal and state funds. In partnership with other state, local, and federal agencies, this program monitors environmental hazards and their effect on health. The Childhood Lead Poisoning Prevention Program (CLPPP) is an important aspect of the Bureau's work. The program operates the laboratory for lead analysis, a case management system, residential inspections and crisis intervention deleading. In FY'88, 197,490 children - 46 percent of children under age six - were screened for lead paint poisoning. Of these, 838 were confirmed to have lead poisoning, a rate of 4 per 1,000.

Inspecting the homes of children with lead poisoning is the CLPPP priority. Of the 636 initial inspections completed last year, 327 were in response to poisoned children, 112 were inspections of day care centers and 197 were performed at the request of landlords, parents, or other agencies. As a result of state inspections, 477 units were deleaded by property owners. However, the Crisis Intervention Program, which offers immediate and complete deleading to low-income property owners in cases of serious poisoning, was able to delead only eight homes of high-risk poisoned children.

DPH's FY'90 request is based on positive annualization of FY '89 savings and includes two expansion projects to be funded through retained revenue: radon testing and prescription drug monitoring. House 1 uses a lower maintenance estimate and imposes a personnel cap lower than DPH projections. Not refilling vacant positions will result in one less nurse for case management for lead poisoned children and one less environmental health inspector to investigate homes where lead poisoned children reside. House 1 supports the radon testing and prescription drug monitoring projects.

SAC Recommendation: Restore the base by funding this account at $3,654,692.

AIDS
4512-0103

FY'89 Appropriation: $14,618,020
Funds Released in FY'89: $14,618,020
FY'90 Request: $17,932,791
House 1: $18,928,506
House Ways & Means: $20,000,000

The AIDS (Acquired Immune Deficiency Syndrome) Program supports research, testing and counseling services, public education activities, community health and home care services, treatment for patients in need of long term care, and efforts to prevent the spread of the disease among high risk populations.

An estimated 30,000 residents of Massachusetts are infected with the AIDS virus. Of the 1,865 resident AIDS cases diagnosed in Massachusetts as of January, 1989, nearly half have died. Approximately 10 percent of all AIDS cases diagnosed in Massachusetts are women. Overall, the number of persons infected with AIDS has increased significantly. According to the most recent DPH statistics, there was an increase of 73 percent in the number of actual AIDS cases in 1987 over the previous year.

There are currently 39 recorded AIDS cases in Massachusetts involving children 13 years and under; another 12 cases involve adolescents 13 to 19 years of age. Between 500 and 600 children in Massachusetts are known to carry HIV (human immunodeficiency virus), the organism that causes AIDS. It is estimated that over 100 children born in Massachusetts this year will be infected with HIV, many of these will be children of IV drug users. DSS currently refers one child per week who is HIV infected for foster care or other support services.

While the number of reported pediatric AIDS cases remain relatively small, the prevalence of HIV infection in childbearing women indicates an increase in pediatric cases in the near future. Epidemiologic analysis of AIDS cases in women and children shows that many HIV infected infants will be children of color, and will be born to parents at risk of AIDS, particularly IV drug using mothers. Between November 1987 and November 1988, 247 child bearing women tested HIV positive.

Based on data received as of December 31, 1988, there has been a slow increase in the proportion of adult women with AIDS over the past five years, from 2.2 percent to 10.6 percent. As more data comes in, the percentage may increase. In FY'87, 13.4 percent of adult AIDS cases were women.

The increase in sexually transmitted diseases in adolescent females, particularly minority females is an index of increasing high-risk heterosexual activity. One in seven teens contracts a sexually transmitted disease annually.

The FY'89 appropriation includes $3,850,000 in new funds to increase services and increase the availability of services to people with AIDS. New Methadone/Sexually Transmitted Disease (STD) clinics will provide AIDS training, education, counseling and testing and more Alternate Test Sites will be established.

House 1 funds maintenance at a lower rate and includes $1 million expansion for innovative service delivery to minorities and IV drug users education, and prevention. There is concern that the lower maintenance figures will mean that the new programs started this year will not be annualized at the treatment level requested.

With the dramatic increase in AIDS cases, advocates want funding to increase at the same rate as the caseload. Of particular concern is the increase in the number of children with AIDS. Because of the nature of transmission and the situation of many

parents who have HIV children, as many as 50% of these children will need foster care or group care placements. DSS resources are already strained. Respite, training, support and service coordination are needed.

SAC Recommendation:

Add $500,000 to increase AIDS prevention and education for adolescents, and an additional $300,000 to provide training, support and consultation to programs, parents and foster parents dealing with pediatric AIDS.

Substance Abuse Services 4512-0200

FY'89 Appropriation: $38,728,528
Funds Released in FY'89: $38,728,528
FY'90 Request: $39,147,589
House 1: $38,354,035
House Ways & Means: $38,806,043

This account funds the Division of Substance Abuse. DPH funds its alcohol and drug abuse prevention and rehabilitation programs through a combination of federal and state funds. Approximately 14 percent of DPH substance abuse programs serve youth. These services include:

- seven residential treatment centers
- eight primary prevention centers
- funding for youth seen in adult drug and alcohol programs
- 48 separate youth intervention programs, and
- a 15-bed residential program In Western Massachusetts developed as a result of collaboration with DYS.

There are no new youth programs added in FY'89.

House 1 projects a lower maintenance figure and cuts $2 million in anticipation of increased federal funding. WIth waiting lists for residential treatment of up to two months, advocates had hoped federal funds would be used for expansion, not maintenance.

SAC Recommendation:

Add $420,000 for a new drug free residential program for 15 youth.

Parent, Child and Adolescent Health Programs 4513-1000

FY'89 Appropriation: $21,578,409
Funds Available in FY'89: $20,545,409
FY'90 Request: $21,925,378
House 1: $17,306,636
House Ways & Means: $20,462,648

This account funds the majority of programs within the Department's Bureau of Parent, Child and Adolescent Health Programs as well as Women's Health, Poison Control, Rape Prevention, and Suicide Intervention. The Bureau works to promote the health of women and children and support their families through Maternal and Child Health Services (MCH), Services to Handicapped Children (SHC), a policy office, and the Statistics and Evaluation Unit. In an effort to reach those at greatest risk, the Bureau targets all its federal and state resources to low-income and special needs individuals, and to high-need areas of the state.

The SHC Program provides therapeutic and preventive services to handicapped children and their families in an integrated and coordinated manner through a regionally based case management unit, a community services unit and 60 regional and five non-regional clinics. These clinics use a multidisciplinary team to provide coordinated therapies to children with serious medical needs. Community services include the Medical Review Team, in-home health care, pediatric nursing homes, adaptive housing services and three community-based residential programs for multiply handicapped children. The Early Childhood Development Unit provides early intervention programs and developmental day programs.

In FY'89, over $1 million is frozen. The $700,000 in expansion for early intervention is delayed affecting 300 children; the pilot for a regional early intervention services program for deaf children cannot be implemented; cuts in perinatal and adolescent health services cannot be restored. These services are at the FY'86 level. In addition, DPH has had to absorb a $2.1 million deficit in this account through contract reductions, cuts in program support costs, and staff hiring delays.

House 1 continues to freeze FY'89 expansion and projects another $3.4 million in savings. If one builds in expected cost of living increases and collective bargaining costs, the real reduction is over $5 million.

If the cuts proposed in House 1 occur, there will be deep program and staff cuts in the Bureau. Staff in handicapped children's clinics would be laid off, and all clinics would be closed by July 1, 1989 with no time to transition clients into local services. This cut could seriously jeopardize the health and well

being of these children and place substantial and unwarranted stress on their families. There is no guarantee that the services the child needs will be available in the private sector. And if available, services are apt to be fragmented with occupational therapy offered one place and medical services another.

In addition, community services to handicapped children would be reduced by half. Without in-home medical supports and pediatric nursing home respite, some seriously medically involved children may be re-hospitalized or institutionalized.

Contracted services would also be cut. Since early intervention, adolescent and maternal health programs are all contracted programs, these cuts mean fewer services to women and children. There are currently 1,000 eligible children waiting for an early intervention program.

Additionally, advocates are concerned that there is no funding for violence prevention activities. Last year DPH received $60,000 from the Governors Anti-Crime Commission and has begun to coordinate activities to create a more systematic approach to violence prevention. However, this effort will not go forward without a significant commitment of new funds.

SAC Recommendation:

Fully fund maintenance at $22 million and add

- $2 million to expand comprehensive health services to adolescents,
- $1 million to expand early intervention services,
- $1 million to expand services to prevent infant mortality,
- $500,000 to develop new violence prevention programs.

Office of Nutritional Services 4513-1002

FY'89 Appropriation: $9,432,881
Funds Released in FY'89: $8,953,025
FY'90 Request: $9,639,497
House 1: $7,215,690
House Ways & Means: $7,215,690

Three programs are included in this account: the WIC (Women, Infants and Children) Program, the Office of Nutrition and 07 contracted services for children who fail to thrive. In FY'89, WIC is allocated $8,188,963; Office of Nutrition $181,159; Failure to Thrive $562,759.

The Massachusetts WIC Program provides specific foods and nutrition counseling to pregnant, breast-feeding, and postpartum women and to children under five years of age who are at nutritional risk. It provides an individualized nutrition plan for each participant including food vouchers, nutrition education, and referrals to primary health care services. Active participation as of June, 1988 was 73,600. However, because some state funds are frozen in FY'89, this caseload will not be maintained. The combination of federal and state resources will support a caseload of only 70,034.

DPH established the Office of Nutrition in FY'84. Current program initiatives of the Office focus on hunger, undernutrition and access to food to reduce malnutrition among pregnant women and children in the Commonwealth. A community based outreach project was approved in FY'88 but never started. In FY'89, funds for this project are frozen.

Established in FY'84 as part of the response to the **1983 Massachusetts Nutrition Survey**, Failure to Thrive programs provide intensive, family-oriented pediatric outpatient services to children who are severely underweight. The four programs operating at eight sites serve 500 children annually. Waiting lists vary with up to a two month wait at Boston City Hospital, the largest of these programs.

DPH's FY'90 maintenance request includes positive annualization of funds that were frozen in FY'89 and allows for inflation.

House 1 annualizes maintenance at a lower level. No funds are included for inflation in food costs; the $500,000 that was frozen in FY'89 is not restored. As a result, the current WIC caseload will have to drop 415 recipients and the community outreach programs will be delayed. Additionally, House 1 recommends the use of $1.9 million in federal funds saved as a result of DPH's participation in an infant formula rebate program to fund the base. DPH had planned to use these funds to increase WIC participation by 4,077. With a decrease in WIC participation, advocates are concerned that FY'90 federal funds may be cut. The federal allocation formula targets funding to states that are increasing their participation level.

SAC Recommendation:

Support agency request; use $1.9 million in federal infant formula rebate funds to expand the WIC caseload.

Medical Services Program for Pregnant Women (Healthy Start) 4513-1005

FY'89 Appropriation: $3,100,179
Funds Released in FY'89: $2,402,814
($687,365, delayed allotment)
House 1: $2,728,524
House Ways & Means: $3,220,179

The Healthy Start Program provides outreach, client advocacy and prenatal and post natal coverage to low income women with no other health coverage. With the creation of CommonHealth, this account funds those women with incomes between 185 percent and 200 percent of the federal poverty level. Healthy Start expects between 1,200 and 1,500 women to be enrolled in the program in FY'89.

Funds that are frozen in FY'89 have affected the program's ability to undertake outreach to high risk women. With the continued and disproportionately high infant mortality rates among Black and other racial minorities, this is of special concern to advocates.

House 1 fails to restore the FY'89 frozen funds and includes a transfer of $290,000 to DPW. The transfer is intended to make Healthy Start case management services Medicaid reimbursable. It is not clear whether the federal government will approve this. The lower maintenance level could result in a cut of 265 Healthy Start clients.

Even though House 1, in the Medicaid Administration account, adds language which call for not less than $280,000 to be spent on outreach to pregnant women through a program arranged by Interagency agreement between DPW and DPH, there is still not enough money to cover the caseload of 1,800 projected for FY'90 as well as outreach activities.

SAC Recommendation:

Increase funding to $4.2 million to serve a caseload of 1,700 to 1,800, fund five outreach workers and add those services now available only to women covered by Medicaid: transportation vouchers, family planning services and basic dental care.

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DEPARTMENT OF MEDICAL SECURITY

Department of Medical Security Administration 4600-1000

FY'89 Appropriation: $938,000
Funds Released in FY'89: $938,000
FY'90 Request: $1,657,481
House 1: $3,206,775
House Ways & Means: $1,300,000

This account funds the staff of the agency, the Department of Medical Security, created to carry out the new state's Health Security Act, Chapter 23.

Chapter 23 establishes a phasing-in of health care coverage for the approximately 600,000 uninsured Massachusetts residents. Almost three-quarters of the uninsured are either working at jobs which do not provide insurance, or are dependents of those workers. The rest are college students, the unemployed and disabled or retired workers. An estimated one-third of the uninsured are children.

By 1992, employers will either provide health insurance to their workers or contribute a maximum of $1,680 per worker to a fund which will finance managed health care insurance through the state. The first steps began this year with coverage for disabled children and adults (CommonHealth 4400-4000), pregnant women (Medicaid 4402-5000 or Healthy Start 4513-1005), and children with incomes up to federal poverty level (Medicaid). Another program, Welfare to Work, continues Medicaid coverage for graduates of DPW's Employment and Training Program for two years after they become employed.

In the next two years, various incentives will be provided to small businesses to encourage them to offer health insurance, college students' coverage will be required, demonstration projects will offer health insurance to smaller markets of the uninsured, and the unemployed will be able to buy managed health care policies on a sliding scale. General Relief recipients will be enrolled in prepaid plans by 1991.

Although the Department of Medical Security does not administer the new coverage for the disabled, women and children mentioned above, it does cover the uncompensated care pool and will be developing the demonstration projects to offer health care coverage which will phase in beginning in FY'90.

Since DMS is a brand new agency, its administrative costs are increasing rapidly as it gears up to do its job. In FY'90, DMS will need full year funding for staff hired in FY'89 and expansion funds to add on new staff.

The agency request only covers annualization of existing staff. DMS would like to hire its full allotment of 20 staff by the end of FY'89, and will need full year funding for all of them.

House 1 supports the agency request and adds $1.55 million to pay for 23 additional positions.

SAC Recommendation: Support House 1.

Uncompensated Care Pool 4600-1050

FY'89 Appropriation: $1,000,000
Funds Released in FY'89: $1,000,000
FY'90 Request: $78,000,000
House 1: $0
House Ways & Means: $0

The Uncompensated Care Pool, otherwise known as the free care/bad debt pool, is a fund which pays the hospital care costs for uninsured low income individuals. It is financed through surcharges on the hospital rates paid by insurers such as Blue Cross/Blue Shield, commercial insurance companies, or HMO's. In the past, Medicare and Medicaid paid into the pool. When Medicare stopped paying, pressure was mounted to reorganize health care financing in the state. Under the current system, neither Medicare nor Medicaid pays, but the size of the payment the private payors must make is capped for each of the years from FY'88 to FY'91. If the actual uncompensated care costs exceed the cap, the state has agreed, as part of the new Health Security Act, to pay the difference.

As health insurance covers more and more of the low income population, the demands on the uncompensated care pool should decline. The amount demanded of the pool's payors decreases as a consequence: FY'88 - $325 million; FY'89 - $318 million; FY'90 - $312 million; FY'91 - $277 million.

It was initially estimated that the state would have to pay $8.5 million for FY'89. The Governor vetoed all but $1 million of that amount. So far it is unclear whether the pool will need more money from the state during FY'89.

If one estimated an eight percent inflation rate, approximately $35 million needs to be added to the pool in FY'90. DMS originally estimated the costs would be $78 million for FY'90. House 1 adds nothing to the account assuming that hospitals can be forced to collect more of their bad debt.

Since the pool covers both uncompensated care and bad debt - money that is not collected from individuals and insurance companies who could pay some or all of their bills - there is little incentive for hospitals to track down bad debt knowing that the free care pool will cover both. House 1 proposes setting bad debt targets for each hospital. If the hospital exceeds its target, it will have to absorb some portion of the debt.

Advocates are concerned that the state's unwillingness to appropriate money will send a bad message to the hospitals. There are already examples of hospitals refusing to admit uninsured patients. Advocates' concern about potential wide spread patient "dumping" may be valid.

SAC Recommendation: Support agency request.

Health Insurance Phase-Ins 4600-1300

FY'89 Appropriation: $5,000,000
Funds Released in FY'89: $5,000,000
FY'90 Request: $10,000,000
House 1: $30,000,000
House Ways & Means: $10,000,000

This account provides funding for pilot programs which will create health insurance packages for the uninsured. DMS is now issuing requests for proposals (RFP's) to a variety of health care providers or insurers. DMS plans to implement a number of the demonstration projects in FY'89.

DMS maintenance request assumed that 12 months of a limited number of pilot programs would cost double the FY'89 appropriation. House 1 recommends an additional $20 million which will be the actual FY'90 cost of the expanded phase-in programs.

SAC Recommendation: Support House 1.

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LEAD PAINT POISONING PREVENTION

The following accounts in **EOCD, EOL** and **DPH** fund lead poisoning prevention services. These agencies are responsible for implementation of Chapter 773, the state's new lead poisoning prevention law. The total spending to implement the law was originally set at $850,000; all but about $50,000 was frozen by the Governor In FY'89.

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EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

Lead Paint Removal Grants and Loans 3748-0010

FY'89 Appropriation: $350,000
Funds Released in FY'89: $0
FY'90 Request: $350,000
House 1: $0
House Ways & Means: $350,000

This account would fund grants and loans to low and moderate income homeowners and landlords for the removal of lead paint from residential properties. Although this program is authorized by the lead poisoning prevention law, Chapter 773, it has not been implemented. All of the FY'89 appropriation is frozen.

The EOCD request is for maintenance; House 1 eliminates the line item altogether.

SAC Recommendation:

Appropriate $350,000 in this account.

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DEPARTMENT OF PUBLIC HEALTH
Lead Poisoning Prevention Reserve 4510-0611

FY'89 Appropriation: $300,000
Funds Released in FY'89: $50,000
FY'90 Request: $428,450
House 1: $50,000
House Ways & Means: $300,000

This account was established in FY'89 to fund implementation of the Commonwealth's new lead law. To date, DPH has issued regulations effective July 1, 1988 governing the registration, training and licensing of lead inspectors; the establishment of a threshold level for lead in soil, soil sampling and analysis protocols; residential abatement and safety standards; and lead

hazard disclosure. DPH is developing notification packets for disclosing lead hazards, requirements of the lead law, who needs to delead and how to do it. All sellers and real estate agents are required to provide these Property Transfer Notification Packages to prospective purchasers of residential property constructed prior to 1978.

All but $50,000 of the funds appropriated in FY'89 are frozen, making it very difficult for DPH to carry out these important activities. DPH has established a fee structure for licensing de-leaders, testing environmental samples and training inspectors from which it expects to generate another $50,000 in FY'89.

House 1 continues to underfund this account at $50,000. With funding at this level, DPH cannot comply with the provisions of the revised lead bill. It cannot establish, maintain and monitor a program to license and train private sector lead inspectors. The property transfer notification program may be undermined. The agency's ability to generate revenue may also be affected. House 1 allows DPH to retain up to $310,000 in revenue from licensing and other fees.

SAC Recommendation: Support the agency request.

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EXECUTIVE OFFICE OF LABOR

Retained Revenue Lead Paint Removal 9410-0101

FY'89 Appropriation: $$350,000
Funds Released in FY'89: $NA
FY'90 Request: $ NA
House 1: $350,000
House Ways & Means: $350,000

Under the lead poisoning prevention law the Executive Office of Labor would be responsible for protecting the workers who remove lead paint by inspecting their worksites. This account was established to generate $350,000 in revenue through collection of fees for certification of contractors and supervisors who remove lead. The collection of fees began in January, 1989. Since there is no other source of funding for the program, no worksite inspections took place in the first six months of FY'89.

SAC Recommendation: Support House 1.

CHILDREN'S MENTAL HEALTH

In March of 1986, the Department of Mental Health's (DMH) Division of Child and Adolescent Services developed a three-year plan for mental health services to children. Although DMH drafted the plan, **A Report on Mental Health Services for Children and Adolescents,** largely in response to Executive Order 244, it explored more than services to those adolescents placed on adult wards in state hospitals and established a continuum of care for emotionally disturbed and mentally ill children.

New Programs Developed

Executive Order 244 was fully implemented on July 1, 1988. That order prohibits placement on adult state hospital wards of youth under 19 years of age. To comply with the order, DMH has developed new programs and targeted its resources to the most seriously emotionally disturbed and mentally ill adolescents and children. Many of the the inpatient and intensive residential services called for in the three year plan have been implemented. A more complete description of resources appears in the Child/Adolescent Mental Health Services account (5047-0000).

Community Based and Home Based Programs

While DMH estimates that 190,000 Massachusetts children under the age of 22 are at risk of or in need of mental health services, the agency currently serves about 20,000 children. With in-patient initiatives underway, a need remains for more community-based residential services and for home-based services to prevent hospitalization and make it possible for children to return home sooner. There are at least 90 adolescents on waiting lists for community residential programs. Another 20 are waiting for a placement in an intensive residential treatment program (IRTP). A plan to develop a long term inpatient unit to serve six emotionally disturbed/mentally retarded adolescents recently suffered a setback when Bradley Hospital withdrew from negotiations.

Gaebler Children's Center

In keeping with Executive Order 244, DMH is proposing to reorganize the Gaebler Children's Center, integrate it more fully into the child-adolescent services system, reduce the census, and minimize the number of transitions between programs. Gaebler currently provides both evaluations and treatment in a state hospital setting to seriously emotionally disturbed children and adolescents up to 16 years of age for whom there is no alternative, more appropriate bed.

Because alternatives have been limited, the daily census at Gaebler has been as high as 70. To be eligible for Medicaid certification, the census must not exceed 56. It is currently at 60. In addition to reducing overcrowding, DMH plans to reorganize Gaebler into discrete units: a crisis unit; two evaluation/short term treatment units for children who need a comprehensive assessment and treatment for up to 90 days; and two specialized units for children who are intensely suicidal, assaultive or have unusual medical conditions and require treatment for up to nine months. Funds for capital improvement and new staff are needed to implement this reorganization plan.

DMH wants to relocate the Gaebler Acute Unit in a community hospital. So far, no hospital has been willing to sign a contract with DMH. Because reorganization has been delayed, DMH has been monitoring closely children currently at Gaebler to see if less restrictive placements are possible and has been working with area staff and with DSS to move these children. The waiting list for DSS group care placements has made this more difficult.

Increasing Private Sector Resources

DMH has also been working to increase the number of psychiatric hospital beds for adolescents and children in private and general hospitals in Massachusetts, and to make sure that as many hospitals as possible are Medicaid certified. The Department's projections are based on a Public Health Council bed need formula. Implementation of the plan relies in part on negotiating agreement with private psychiatric hospitals to accept Medicaid. So far, sixteen beds are available in eight private psychiatric hospitals under the "Psych Under 21" initiative. Others have indicated an interest. If the expansion of private beds and the development of new beds stays on schedule, there should be sufficient psychiatric hospital beds for children and adolescents by 1990. Unfortunately, this is a slow process and many hospitals are behind schedule. A determination of need application was approved four years ago for one hospital to develop 20 children's psychiatric beds; development of these beds is still a long way away.

Changes Planned

In addition to expanding resources to adolescents, DMH changed the ages served by the Child/Adolescent Services Division. Historically, the Division had served clients up to age 22. The Priority Clientele Report called for persons through the age of 18 to be served through the child/adolescent services system and persons 19 and older to be served by the adult system. Experts believe young adults 19 to 25 years of age need special services to be successful in developing independent living skills, vocational skills and age appropriate social skills. DMH drafted a plan in the fall of 1988 outlining the process by which the transition of responsibility for this population from children's to adult services would take place. Part, but not all, of the plan has been implemented. Child and Adolescent services will continue to serve 19 to 21 year olds already in treatment, referred by OFC's Interagency Team, or needing an intensive residential treatment program (IRTP). New applicants 19 to 21 must apply as adults. The adult criteria are stricter and some seriously emotionally disturbed young people will not be served. Advocates are also concerned with the lack of age appropriate programs for this age group in the adult services system. No specialized programs have been created for young adults, and none of the Governor's proposed Special Message beds have been targeted for 19 to 25 year-olds.

DEPARTMENT OF MENTAL HEALTH
Child/ Adolescent Mental Health Services
5047-0000

FY'89 Appropriation: $47,924,149
Funds Released in FY'89: $47,924,149
FY'90 Request: $50,917,987
House 1: $50,849,461
House Ways & Means: $50,549,461

This account funds all in-patient and community-based mental health services for children and youth.

In the past three years in an effort to comply with Executive Order 244, inpatient and community based services have been increased to the following FY'89 service capacity:

SERVICE	CAPACITY
Inpatient	176 beds serving 323 children
Intensive Residential Treatment (IRTP)	50 beds serving 79 children
Residential	312 beds serving 495 children
Crisis Residential	38 beds
Case Management	49 case managers
Day Treatment	22 programs
Protective Services	7 programs
Individual Service Fund (POS)	280 clients

The FY'89 final budget included funding to develop 18 new aftercare placements for younger children to relieve overcrowding at Gaebler and targeted $150,000 to fund an existing program in Boston which provides mental health services to Cambodian and Vietnamese adolescents and children.

Despite program increases, resources are still not adequate to meet the need. There are currently 20 adolescents waiting for placement in an IRTP and another 90 on waiting lists for community based residential programs. In addition, individual services funds (ISF), used to purchase services when there are no openings in DMH programs, is generally underfunded by approximately $1 million.

There is not enough money to fully support the Salem Hospital Acute Unit, and DMH continues to have to pay for seven clients with mental retardation who were to have been transferred to DMR, but have not been because DMR does not have funds for them..

DMH is also responsible for funding inpatient psychiatric services for children in the care and custody of DSS. In addition to its FY'90 maintenance request, DMH sought funding for a new 10 to 14 bed Acute Inpatient Unit for 6 to 12 year olds at Massachusetts Mental Health. The critical shortage of beds in Boston makes this a high priority. Gaebler is the only resource for this age population, and it is seriously overcrowded. Although Gaebler has admitted up to 70 adolescents and children at one time, admissions are closed and the census will cap at 56. Overcrowding has been further exacerbated by lack of DSS resources to provide follow-up services when children no longer need acute care. Without new programs, children needing secure inpatient psychiatric treatment will be at serious risk with no place to go.

House 1 includes cost of living and collective bargaining costs and supports some of the shortfall in ISF. No expansion is included. In fact, House 1 represents a reduction in maintenance of $1 million and 20 FTE. Not all areas have children's case managers; the shortfall would further reduce their numbers and affect services to over 2,000 children. This will further effect the ability of DMH to serve seriously emotionally disturbed adolescents.

While outside language allows DMH to retain up to $4.5 million in revenue generated at adolescent acute units, DMH projects new receipts at the $6 million level in FY'90 for acute inpatient adolescent units. DMH has requested the following technical amendment to House 1 - Increase the 5047-0100 retained revenue cap from $4.5 million to $6.0 million.

SAC Recommendation:

Support the agency request and add

- $1 million in individual services funds (ISF) for emergency psychiatric placements when there are no openings in DMH or Medicaid funded programs;
- $825,000 for five intensive home based treatment programs to prevent hospitalization and allow children to return home as soon as possible.

Adult Mental Health Services 5046-0000

FY'89 Appropriation: $141,470,791
Funds Available in FY'89: $140,525,028
FY'90 Request: $180,293,685
House 1: $172,844,405
House Ways & Means: $159,014,605

This account funds community based residential, day and family support programs except those services offered by state-funded community mental health centers. With the exception of some crisis intervention programs which accept adolescents, these programs serve adults only.

With DMH Child/Adolescent Services no longer covering young adults 19 to 22 years of age, young people will have to compete with adults for services. While DMH could use the Governor's Special Message funds to develop vocational and transitional living programs for young adults, it has been reluctant to do so in the past.

In the fourth year of the Governor's Special Message, DMH projected the need for significant expansion in community based programs to reduce overcrowding in state hospitals and in inpatient units at community mental health centers. The FY'89 $945,763 reduced allotment, combined with problems siting community programs, caused delays in some program starts and is contributing to the growing waiting list. DMH estimates that over 500 clients are waiting for community placements. Some clients who are both mentally ill and mentally retarded waited an average of eight years before being placed in community residential and day programs.

House 1 reduces the maintenance base by $6.7 million and eliminates 145 positions from the DMH maintenance request. The $945,000 in contracts held back in FY'89 is not restored.

House 1 also supports a large portion of the DMH expansion request without targeting funds for 19 to 25 year-olds. The Department acknowledges the need for specialized programs for young adults who are no longer eligible for child/adolescent services within DMH, but has not set aside funds or program slots for this population.

House 1 supports a total of 456 residential units - 300 below the DMH combined special message and capital outlay request - and full funding for day/vocational slots. It is $5.568 million below the DMH request.

No funds are included for family support or other expansion initiatives, and it is not clear whether conversion of case management positions from contracted (07) positions to state positions will go forward.

SAC Recommendation: Support the agency request, but target 15 percent to programs for 19 to 25 year-olds.

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DEPARTMENT OF PUBLIC WELFARE

Medical Assistance Program for Mental Health Services 4402-5300

FY'89 Appropriation: $70,000,000
Funds Available in FY'89: $70,000,000
FY'90 Request: $92,734,000
House 1: $ consolidated in basic Medicaid
House Ways & Means: $1,826,849,000 (consolidated in basic Medicaid)

In addition to funding various community services, this account funds Psychiatric Services for Children under 21 years of age. Psych Under 21 accounted for $9.551 million in FY'89 spending. Six new programs were started in FY'88; an additional five new programs in FY'89. There are no new programs projected for FY'90. DPW's FY'90 maintenance estimate is $10.992 million.

House 1 consolidates this account in the Medicaid Basic Account (4402-5000).

SAC Recommendation: Support agency request.

JUVENILE JUSTICE

The responsibility for providing services, care and protection for children who are runaways or charged as delinquent is shared by the judicial system and human services agencies.

Human services agencies provide assessments, detention and other services to children referred or committed to them by the courts. The Department of Mental Health (DMH) funds specialized staff for court clinics. The Department of Social Services (DSS) provides comprehensive services to children designated by the courts as "Children In Need of Services" (CHINS.) The Department of Youth Services (DYS) provides detention for children awaiting trial, as well as comprehensive services to children referred or judged to be delinquent by a Juvenile or District Court.

Courts and Juveniles

Prior to FY'88, only the Boston Juvenile Court, the Springfield Court and the Roxbury District Court had clinical staff who specialize in serving juveniles. Since then, adolescent specialists have been added to serve Fall River, Taunton and Attleboro; and clinical staff who serve both adolescents and adults to some district courts.
DMH planned to add an adolescent specialist to Essex Regional Juvenile Probation, but lacked the funds in FY'89.

Department of Youth Services

DYS is responsible for an average daily population of 1,900 youths committed for treatment and 250 youth detained pending court action. The number of youths detained and committed by the court has increased dramatically in the past few years.

DYS detention must serve both adolescents who are committed to DYS and waiting for residential placements and those who are awaiting trial. A number of these adolescents are runaways who are before the courts on CHINS petitions and placed in detention by judges who are concerned about their safety.

The Detention System Overload

Despite expansion in the detention system, the detention rate has increased significantly and continues to outstrip DYS capacity. The detention admission numbers for youth awaiting trial increased 18 percent during the first eight months of 1988. During the same period, 471 DYS committed youth were sent home inappropriately to make room for new admissions into detention. When DYS foster care placements were used as backup detention placements, a high number of detention AWOLs resulted.

DYS is submitting a plan as a part of the FY'90 budget process to reorganize the detention system. DYS proposes to:

- completely separate adolescents awaiting trial from those who have been newly adjudicated delinquent by a court and committed to DYS by assigning them to different programs;
- redefine the mission of some existing programs to serve newly committed youth and ensure early assessments and appro-

priate placements are made;

- allocate specific detention resources so that each region uses a limited number of detention programs. In the past, youths could be placed in detention far away from their families, attorneys and case workers.

House 1 includes $1.1 million in expansion to fund reorganization of DYS detention. If funded, this would partially solve one of the problems identified by the CHINS Commission, mixing of CHINS and delinquent youth.

Resources Needed

DYS had requested over $2.4 million in expansion funds in FY'89 to address its changing population, only $.8 million has been released. DYS has had to use its limited resources to serve adolescents with serious treatment needs - more DYS committed youth are substance abusers, a significant number are juvenile sex offenders, many have learning disabilities or other educational problems, and about 12 percent of those committed to DYS require secure treatment. In the Metropolitan Boston Region, for example, while the number of newly committed youth increased only slightly from 1986 to 1987, and assault crimes declined for the third consecutive year, homicide, attempted homicide and manslaughter are at the highest levels since 1985.

Additional resources are still needed, especially resources to serve Black and Latino youth, for whom few specialized programs exist. Advocates also want DYS to have some prevention resources. With the increase in drug related gang violence, community organizations and the courts are looking for more effective prevention and treatment strategies. No new resources are recommended in House 1 for prevention, specialized treatment or to serve the medical and educational needs of DYS youths.

DEPARTMENT OF YOUTH SERVICES

Purchase of Services 4202-0021

FY'89 Appropriation: $34,200,000
Funds Released in FY'89: $34,200,000
FY'90 Request: $37,441,024
House 1: $38,736,289
House Ways & Means: $37,300,000

This account contains funds used to purchase residential and non-residential services including secure treatment, group care, foster care, detention, counseling and other support services. FY'89 expansion includes:

- $625,000 for additional residential and day capacity in Metropolitan Boston;
- $252,000 for 25 additional staff (6 month funds) in contracted group care programs to improve supervision and increase clinical capacity.

The account is running a deficiency of $980,000 in FY'89, and has generally not received sufficient funds to serve the current population. The number of youth served by DYS has increased as has the cost of services. In addition, the detention system is seriously strained. There has been an increase in detention admissions, 18 percent in the last year, which has forced the premature release of youth already committed to the Department.

DYS is filing a deficiency request which is expected to pass this year, and has asked for $1.682 million expansion for FY'90.

DYS wants to reorganize the detention system and separate detained youth, some of whom are more appropriately CHINS, from committed youth. DYS plans to reorganize its program and resource distribution and expand resources to include: 30 transitional beds for newly committed youth moving out of the detention system; 15 detention intervention workers; five specialized case management teams; and a bail review management team. Funds are also needed to upgrade health care professionals and to create a summer school program.

House 1 includes $1.1 million expansion to re-organize the DYS detention system. Funds are also included to cover the cost-of-living increases and annualization.

SAC Recommendation: Support House 1.

Community Based Treatment Units 4237-1010

FY'89 Appropriation: $6,250,000
Funds Released in FY'89: $6,250,000
FY'90 Request: $6,821,245
House 1: $6,523,631
House Ways & Means: $6,250,000

The Community Based Treatment account supports the staffing and operation of DYS regional offices and funds some community-based emergency services. The account is underfunded by about $100,000 in FY'89.

House 1 underfunds six positions. It also funds maintenance at a rate lower than the DYS request.

SAC Recommendation: Support the agency request.

Consolidated Secure Facilities 4238-1000

FY'89 Appropriation: $11,400,000
Funds Released in FY'89: $11,400,000
FY'90 Request: $12,797,283
House 1: $12,037,523
House Ways & Means: $11,750,000

This account supports detention, treatment and shelter programs operated by DYS and includes the Stephen L. French Forestry Camp. For FY'89, 299 secure beds are supported. Despite the increase in numbers of committed youth, the number of beds has decreased from the FY'88 level of 314. The account is both understaffed and underfunded. A supplemental budget has been filed for $284,652. If this is not passed, a loss of 21 direct care workers through attrition and layoff could result.

House 1 cuts three positions and underfunds inflation and collective bargaining expenses.

SAC Recommendation:

Support the agency request.

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DEPARTMENT OF MENTAL HEALTH

Forensic Mental Health 5049-0000

FY'89 Appropriation: $7,615,118
Funds Released in FY'89: $7,615,118
FY'90 Request: $7,900,130
House 1: $8,177,550
House Ways & Means: $7,615,118

This account funds mental health services to court referred or committed persons, some of whom are children.

Prior to FY'88, only the Boston Juvenile Court, the Springfield Court and the Roxbury District Court had clinical staff who specialize in serving adolescents. Since then expansion in DMH forensic services has added adolescent specialists to serve Fall River, Taunton, Attleboro. In addition, clinical staff have been added to district courts serving both adolescents and adults in

the following areas: North Worcester, South Worcester, Westfield, Holyoke, Chicopee, Northampton, with a part time clinical psychologist added to the Northern Berkshire District Court. The proposal to add an adolescent specialist to Essex Regional Juvenile Probation was caught in the FY'89 freeze.

House 1 includes funding for cost of living increases and collective bargaining, but underfunds the base by approximately $390,000 and reduces staff by 11 full time equivalents (FTE.) This means that current staff levels must be reduced by 4 FTE and no additional hires can take place in FY'89 or FY'90. Because there has been relatively little turnover in staff serving juveniles, this may have little effect on adolescent services.

SAC Recommendation: Support House 1.

EDUCATION

Chapter 188 and Related Programs

In 1985, Massachusetts enacted important legislation reforming the state public education system. Containing more than 30 provisions, Chapter 188 greatly increased the resources available to all school districts to address the crisis in public education documented by national reports released earlier in the decade. Public schools found it increasingly difficult to provide quality education for all children in the face of myriad problems both inside the schools and in the surrounding community. The principal goal of Chapter 188 was to ensure educational excellence and equity for all public schools.

The focus of Chapter 188 was to provide school districts which spend less money per pupil than the state average with additional financial resources to restore programs eliminated due to Proposition 2 1/2, to increase and train school personnel, and to improve the quality of certain areas of instruction such as early childhood education and remedial education for students at risk of failure. Now in its fourth year of implementation, Chapter 188 has greatly increased the resources available to low income urban schools districts.

CHAPTER 727

In January of 1988, the Legislature enacted a second phase of education reform, Chapter 727. The focus of the new law was to target additional education assistance to individual schools that had large numbers of students at risk of academic failure. Under this law, additional assistance will be provided to so-called "Opportunity Schools," or schools which have a high drop out rate, a large number of students who fail basic skills tests, or are otherwise judged at risk of failure due to outside factors such as drug use and early pregnancy.

Tracking Success

As a means of tracking the success of education reform programs, Chapter 188 mandated a series of basic skills tests to measure student success in mastering basic reading and math skills. The first results of testing released in 1988 confirmed that low income urban school districts with fewer resources were the least successful in developing these basic skills in their students. The chart below dramatically depicts this finding.

Massachusetts DOE Basic Skills Test
Summary of Test Scores in Selected Districst

	3rd GR(%)	6th GR(%)	9th GR(%)	*
State average	85	79	76	20
Bedford	93	83	87	4
Boston	65	58	55	50
Fall River	76	63	65	50
Springfield	79	71	60	51
Swansea	96	88	82	11
Westfield	94	90	82	17

* percentage of low income students in district

The communities listed above represent urban and suburban school districts in eastern, western and southeastern Massachusetts.

In May of 1988 the state Department of Education (DOE) released its first statewide dropout report. In the 1986/87 school year, the drop out rate for all students was 5.3 percent. Based on this initial survey, DOE projects that between 1986 and 1990, 19.5 percent of the students entering the ninth grade will drop out of school. Dropout rates vary greatly by racial and ethnic background and by community. Hispanic students have a 15.2 percent dropout rate; black students 10.6 percent rate, Asians 6.3 percent rate and white students 4.4 percent. Urban areas have an 8.9 percent dropout rate, nearly twice the state average.

The Department of Education has contracted with Abt Associates, a respected social research firm located in Cambridge, Massachusetts, to conduct an evaluation of the implementation of Chapter 188 on an annual basis through FY'90. The evaluation has been conducted for FY'87/88. Specific comments on the implementation of the major programs are incorporated in the account summaries which appear below.

The Board of Education has identified program goals associated with Chapter 188 as its major priority in Fiscal Years 1989 through 1992. In order of priority the Board's goals are:

- equal educational opportunity,
- recruitment and training of educational personnel,
- early Childhood education,
- management services and support to schools, and school finance (achieving equitable funding).

DEPARTMENT OF EDUCATION
Early Childhood
7030-1000

FY'89 appropriation: $10,000,000
Agency Request: $19,710,000
House 1: $10,000,000
House Ways & Means: $10,000,000

This Chapter 188 program funds school districts to establish publicly run preschool, enhanced kindergarten, transition to first grade, and early education programs. Seventy-five percent of all funds are targeted to low income school districts. Provision of early childhood education is identified by the Board of Education as a priority for the next several years; the Board hopes to provide universal early childhood education by FY'92. In FY'89, the program will serve 139 communities; 2,000 three-year-old students, 3,000 four-year-olds, and 15,000 five-year-olds. Forty-

seven percent of all programs are part-day, 34 percent are enhanced kindergarten, nine percent extended day, and four percent transitional. An evaluation of the program conducted by Abt Associates identified this program's relationship with the child care community and issues concerning identification of adequate space as difficult issues that needed to be addressed. Those findings were confirmed in a series of public forums on child care and the public schools held in late 1988 by the Statewide Advisory Council.

The agency request reflected the amount necessary to fund all school districts applying for funds in FY'89. House 1 level funds the program.

SAC Recommendation: Support the agency request.

Head Start 7030-1500

FY'89 Appropriation: $6,000,000
Agency Request: $6,000,000
House 1: $6,000,000
House Ways & Means: $6,100,000

This account provides subsidies to federally funded Head Start programs to support salary increases and expansion of services. Reflecting the growing number of young children living in at-risk family situations, the DOE budget narrative proposes a $1 million pilot program to establish a model parent education program, "Parents and Children Together," for the parents of low income children up to five years of age. This figure is not included in the agency request for this or other DOE accounts.

SAC Recommendation: Support House 1.

Carnegie Schools 7030-1600

FY'89 Appropriation: $1,000,000
Funds Released in FY'89: $240,000
Agency Request: $4,180,000
House 1: $500,000
House Ways & Means: $500,000

This new program was created by Chapter 727 as a discretionary grant program to fund schools that design innovative school governance approaches. Intended as the centerpiece of the 727 legislation, it was meant to create model approaches to

changes in school organization which foster creativity and positive results in the form of well educated students. The legislature appropriated $1 million in FY'89, which was vetoed by the Governor. However, $240,000 was later restored. Seven schools were awarded grants of $30,000 each. DOE requested sufficient funds to respond to initial positive response to the program. House 1 funding doubles the size of the program.

SAC Recommendation:

Support agency request.

Essential Skills 7030-2000

FY'89 Appropriation: $10,000,000
Funds Released in FY'89: $9,000,000
Agency Request: $20,100,000
House 1: $9,000,000
House Ways & Means: $9,000,000

This account funds two discretionary grant programs — remedial education for grades one through nine and drop out prevention programs for grades nine through 12. Remedial programs include instruction in math, science, and reading for students who tested poorly in those subjects. Drop out programs include individualized counseling for at-risk students. The Governor vetoed $1 million in FY'89 which was intended to purchase science kits for schools participating in the program. In FY'89, DOE awarded $6.3 million to 100 schools for remedial instruction, and $2.3 million for dropout prevention programs in 40 schools. The account has been level funded since its creation. The Abt evaluation cites the funding level and DOE's inability to monitor local programs effectively due to staffing shortages as weaknesses in the program. DOE requested $7.5 million in expansion funding to serve additional eligible communities and increase staffing. House 1 level funds the account once again.

SAC Recommendation

SAC supports the agency request.

Commonwealth Futures 7030-2001

FY'89 Appropriation: $1,000,000
Agency Request: $1,000,000
House 1: $1,250,000
House Ways & Means: $1,000,000

Commonwealth Futures is one of the five programs created in 1986 by the Governor's Office to "bring down the barriers to opportunity." It is a competitive grant program which assists participating communities with large numbers of students at risk of academic failure in planning and implementing a comprehensive community-wide response to students' problems. In FY'89, 13 communities received funding from this account as well as federal and private sources. In FY'90 the program will receive funds from the federal Job Partnership Training Act (JPTA) 8 percent program, and four of the 13 communities will receive funding from the McConnell Clark Foundation. Futures communities also may apply for Chapter 188 dropout prevention funds and a Department of Employment and Training program (funded through DPW's E.T. Choices Program) for pregnant and parenting teens. In FY'90, the program will decrease funding to communities currently funded for a third year and increase funding provided to second year communities.

SAC Recommendation:

Support House 1.

Leadership Academy 7030-3000

FY'89 Appropriation: $500,000
Funds Released in FY'89: $225,000
Agency Request: $500,000
House 1: $475,000
House Ways & Means: $225,000

The Commonwealth Leadership Academy provides in-service professional development programs to school administrators throughout the state. Four programs have been implemented: Leadership Institutes, Leadership Seminars, Academy Fellowships, and School/Business Collaboratives. The agency request and House 1 proposals will double the size of the program.

SAC Recommendation:

Support House 1.

Lucretia Crocker 7030-4000

FY'89 Appropriation: $504,000
Agency Request: $504,000
House 1: $504,000
House Ways & Means: $504,000

This Chapter 188 program awards fellowships to public school teachers who have developed innovative educational programs and curricula. Fellows spend one year conducting workshops and disseminating their programs to schools selected as adopting sites. 10 to 15 fellows are selected and up to 100 schools receive mini-grants to replicate the model programs and curricula. The program is level-funded in House 1.

SAC Recommendation:

Support House 1.

Professional Development Schools 7030-4060

FY'89 Appropriation: $500,000
Funds Released: $0
Agency Request: $500,000
House 1: $250,000
House Ways & Means: $250,000

This account funds an interagency arrangement with Bridgewater State College to maintain a field center for teaching and learning.

SAC Recommendation:

Support House 1.

Education Technology Trust 7030-5000

FY'89 Appropriation: $300,000
Agency Request: $3,300,000
House 1: $300,000
House Ways & Means: $0

This is a discretionary grant program which seeks to integrate technology into the classroom. It also receives $2 million annually from the DOE capital account. Through the program, DOE annually awards over thirty grants to schools at a rate of $1.88 per pupil.

Funds have been used for such purposes as introduction of computers into the classroom or assembling a weather station. DOE seeks to expand the program by adding an additional $3 million.

SAC Recommendation: Support agency request.

Gifted and Talented 7032-0211

FY'89 Appropriation: $750,000
Agency Request: $1 million
House 1: $600,000
House Ways & Means: $0

Over 80 school districts receive discretionary grants each year for programs to serve gifted and talented children. Fifty percent of the funding is targeted for low income districts. Funds are used for such programs as arts enrichment, encouragement of critical and creative thinking, and opportunities for community collaboration. House 1 cuts the program by 33 percent which would reduce the number of grants from about 80 to 55.

SAC Recommendation: Support Agency Request.

Comprehensive Health Education 7032-0500

FY'89 Appropriation: $1,500,000
Agency Request: $3,127,000
House 1: $1,500,000
House Ways & Means: $1,500,000

This discretionary grant program provides communities with funds to establish health related programs in the public schools, including programs which address teen pregnancy, violence prevention, and substance abuse. In FY'89 the program awarded $1.4 million to 31 communities. As planned, communities receiving funds for the third year in FY'89 will not be eligible for funding in FY'90. These communities are taking steps to gain other funds to continue programming.

DOE is accepting applications for 28 new programs in FY'90 for the first time since the initial round of applications. The agency request would double the size of the program, effectively meeting the demand.

SAC Recommendation: Support Agency Request.

Equal Education Opportunity Grants 7061-1000

FY'89 Appropriation: $110,174,292
Funds Released in FY'89: $81,000,000
Agency Request: $150,000,000
House 1: $139,348,584
House Ways & Means: $108,174,292

Approximately half of the funding mandated in Chapter 188 is provided to school districts through this program. Assistance is provided to school districts according to the average per pupil expenditure. The intent of the program is to make educational expenditures at the local level more equitable across the state. The Abt evaluation cited as a problem the restrictiveness of the funding, which cannot be used for building maintenance or administrative costs of new programs, and has other limitations. The increased appropriation for FY'89, which was withheld by the Governor, was targeted for 149 so-called "Opportunity Schools," which are defined in Chapter 727 as schools which are the least successful in achieving their educational goals and whose students are most at risk of academic failure. House 1 funding restores the money withheld in FY'89 and annualizes the same level of spending in FY'90. House Ways and Means cuts that in half. The agency request of an additional $11 million is intended to further close the spending gap between affluent and lower income school districts.

SAC Recommendation: Support Agency Request.

School Improvement Councils 7061-4000

FY'89 Appropriation: $10,100,000
Funds Released in FY'89: $8,100,000
Agency Request: $13,100,000
House 1: $8,100,000
House Ways & Means: $8,100,000

School Improvement Councils are school-based advisory councils authorized to expend funds to create alternative innovative education programs. These programs are designed to meet the needs of students, teachers, parents, and the community surrounding the individual schools. The Governor withheld a $2 million increase in the account in FY'89.

Chapter 727 mandates that DOE provide each public school with $15 per pupil to fund the Councils. Current funding of $8 million provides schools with less than $10 per pupil. The agency request would raise the rate to about $12.50 per pupil.

SAC Recommendation:

Support Agency Request.

REACH Awards 7061-4060

FY'89 Appropriation: $500,000
Funds Released in FY'89: $0
Agency Request: $500,000
House 1: $0
House Ways & Means: $0

This program was created as part of the Chapter 727 reforms to reward schools that reach or exceed educational goals. Funding for the program in FY'89 was withheld and is not included in House 1 for FY'90. Without funding the program will not be implemented.

SAC Recommendation:

Support agency request.

Horace Mann Teachers 7061-5000

FY'89 Appropriation: $7,409,146
Agency Request: $7,920,000
House 1: $7,409,146
House Ways & Means: $3,750,000

Horace Mann teacher grants are awarded to teachers who agree to accept expanded responsibilities in such areas as curriculum development and teacher training. Each district receives an amount based on the number of the teachers in the district, calculated at $2,000 times six percent of this number. Appointments are made by school committees. Each teacher can receive up to $2500. DOE requested a $500,000 increase to reflect a new distribution formula passed as part of Chapter 727.

SAC Recommendation:

Support agency request.

SPECIAL EDUCATION

Massachusetts has been a leader in the movement to provide educational services to disabled children and young adults since 1972, when it became the first state to pass a special education law. Prior to the passage of Chapter 766, handicapped children had to meet rigid criteria to be eligible for the few state or locally supported special education programs, were often stigmatized, or received no services at all.

Chapter 766

Chapter 766, which applies to children from three to 22 years of age, was designed to focus onthe needs of the child and to provide those services outlined in an individual education plan created to help the disabled child to develop to the fullest extent possible, in the least restrictive appropriate setting. Special education services range from support services in a regular education classroom to placement in a residential school program.

Facts and Figures

In FY'87, 135,411 students received special education services through their local public schoolsystem. Most special education services are provided in a public school setting. More than 75 percent of the children receiving special education are in regular education classrooms for the majority of their time in school; only .6 percent are in residential schools.

Although the number of children in residential schools is small, and has been decreasing over the past ten years, their impairments are severe and the cost of the programs high. Annual residential tuition rates range from a low of $17,050 to a high of $108,000, with an average rate on December 1, 1987 of $48,076. In response to the concern of local schools over increasing costs, the Department of Education (DOE) now pays 60 percent of the residential school cost directly to the provider (See account #7061-0012.)

There has been growing concern in the past few years with the increasing number of children inspecial education programs and the escalating costs. Information from annual end of the year reports issued by local school systems shows that from FY'78 to FY'87 the *per pupil cost for all other education* has risen by 103.73 percent, while the per pupil cost of special education has risen only 78.96 percent. However, during the same period, the number of children receiving special education services in relation to total school enrollment has increased substantially.

Fiscal Year	System Enrollment	Sp. Ed. Enrollment	Percent
79	1,095,452	129,302	11.8
83	920,114	130,028	14.1
87	844,300	135,411	16.04

Funding Concerns

Some of the concerns involving funding for special education result from changes in the way in which towns receive state reimbursement and the cuts in local school budgets brought about by Proposition 2 1/2. Until 1978, special needs costs were paid from a special local aid fund which guaranteed full payment for expenditures that exceeded the average per pupil expenditure. Transportation costs were fully reimbursed, and recreation programs received 50 percent funding. Under the new 1979 formula, all programs for categorical reimbursement were combined in one equation. This caused special education entitlement aid to fall and regular education aid to increase. For this reason, it has not been easy to clearly identify the level of state support for special education.

Special Education Action Group

A number of groups are examining special education in an effort to answer a range of the funding and policy questions. DOE's Associate Commissioner of Special Education has formed an Action Group consisting of school superintendents and local special education directors, parents, teachers, advocates, and representatives from human services agencies to assist DOE in setting policy for local schools on:

- defining which students need special education
- guidelines for the Maximum Feasible Development standard
- strategies for strengthening pre-referral activities
- the definition of education versus non-educational services.

Several reports have been drafted and are expected to be issued in the Spring. With increased monitoring by the DOE, the resulting policy guidelines can help school systems better serve more special needs children in main-streamed settings.

Also, using federal funds, DOE is working to help schools find better ways to combine regular education and special education resources. A consumer-based institute on autistic children resulted in funding for eight locally based programs for autistic children, and a new request for proposals (RFP) was issued recently for additional school-based programs for autistic children. The Department of Mental Retardation (DMR) is cooperating with DOE to develop additional community-based support services for autistic children. DOE hopes to develop similar models for head injured children.

DEPARTMENT OF EDUCATION

Local Education Authority incentive Grants 7028-0101

FY'89 Appropriation: $839,759
Funds Released in FY'89: $839,759
FY'89 Request: $839,759
House 1: $611,359
House Ways and Means: $525,000

This account pays to develop programs for children who return to their communities from institutional settings. The number of children eligible for these grants has decreased because children are no longer being admitted to state hospitals and state schools, and those already under treatment are growing older. Last year, school systems received funds to deinstitutionalize 63 of these children.

Although the House 1 recommendation is considerably lower than the FY'89 appropriation, it is adequate to serve the small number of children who will be eligible in FY'90.

SAC Recommendation:

Support House 1.

Private School Payments 7028-0302

FY'89 Appropriation: $7,750,000
Funds Released in FY'89: $7,750,000
FY'90 Request: $10,649,851
House 1: $8,000,000
House Ways & Means: $8,000,000

This account pays the private school costs of special needs children who have no father, mother, or guardian living in the Commonwealth, and for those few children who were served under Chapter 750 (the old special education law) and remain the responsibility of the Department of Education until they turn 22 years old. There were 2,200 Chapter 750 students in 1974; today there are only 125. Even though the number of Chapter 750 students is decreasing, the number of children without parents or guardians is increasing each month by 15 new eligible children.

The House 1 recommendation will not cover the FY'90 cost for eligible children. DOE has filed an FY'89 deficiency request of over $2.3 million to cover the cost of 35 children who are currently underfunded.

SAC Recommendation:

Add $2.6 million to the House 1 recommendation to fund all eligible children in FY'90.

Non-Educational Residential Cost (60/40) 7061-0012

FY'89 Appropriation: $17,000,000
Funds Released in FY'89: $17,000,000
FY'90 Request: $26,713,554
House 1: $30,800,000
House Ways & Means: $25,500,000

Designed to reduce the burden on local school systems for funding the residential portion of costly private residential schools, this account is in deficit nearly $8.5 million in FY'89. The number of children served through this account increased by 36 percent between October, 1987 and October, 1988. There are 879 children in residential placements already funded by the Department, 32 have placement approvals, and at least 12 new children are approved for placement each month.

House 1 includes significant expansion in this account to cover the continuing increase in the number of children served and in the cost of placements for these seriously impaired children.

SAC Recommendation:

Support House 1.

DISABLED CHILDREN

Children who are disabled, multiply handicapped, autistic, mentally retarded or have serious medical needs are served by a variety of state agencies. As children with special needs, they receive special education services from local schools under Chapter 766, Massachusetts' Special Education Law. For other services, children may be eligible for and served by one or more human services agencies, depending on their diagnosis and individual needs.

Agencies Serving Disabled Children

State agencies provide home-based support services in addition to out-of-home care. The newly created Department of Mental Retardation (DMR), the Department of Social Services (DSS), the Massachusetts Rehabilitation Commission (MRC), the Massachusetts Commission for the Blind (MCB), the Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH), the Department of Public Health (DPH), the Department of Public Welfare (DPW), and the Department of Mental Health (DMH) all serve disabled children.

In addition, the Executive Office of Human Services (EOHS) through the Bureau of Transitional Planning (BTP) ensures that children previously served through Chapter 766 are assigned a human services agency to plan for ongoing services once they turn 22 years of age. DMR, DMH, MRC, MCDHH, and MCB fund these "Turning 22 Services" and work with the BTP.

Department of Mental Retardation

DMR was created in FY'87 with an expanded mission to serve the Commonwealth's estimated 20,000 mentally retarded children in addition to adults previously served by DMH's Division of Mental Retardation. The manner in which DMR plans to serve children was outlined in a September, 1987 report submitted to a Joint Special Commission established to oversee the separation of the Department of Mental Health into two agencies, DMH and DMR. As described, DMR will oversee children's services which are community-based, focus on family support and designed to complement other community based services including early intervention programs through DPH and those special education services provided by local schools. DMR has made a good start in developing community based programs, but needs considerably more funding and staff to fully implement its three year plan.

The First Year

For FY'88, DMR's first year, a small amount of expansion money was used to provide services to 511 children and adolescents with mental retardation in community based programs statewide. A more complete list of FY'88 programs is contained in the Children's Services account, 5947-0000, description. On July 1, 1988, about $7.7 million in respite funds were transferred from DSS to DMR's Adult Mental Retardation Services account, 5948-0000. Although respite expansion funds were included in the final FY'89 budget, all $1.2 million were frozen. This year, the waiting list has grown from 1,400 to an estimated 1,668 families.

In FY'88, EOHS worked with DMR and other human services agencies to develop a policy outlining responsibility for services to children with mental retardation, including those who need psychiatric hospitalization or are abused or neglected. DMR is expected to take on more responsibility as it develops more resources and programs. While DMR has been working to develop clearer interagency agreements in FY'89, lack of resources has prevented it from taking on full responsibility.

Family Support Services

In FY'89, DMR planned to implement comprehensive in home respite services in each region; expand social recreational programs, develop residential alternatives in each region, expand family support emergency services, expand its clinical resource teams, and initiate summer programs in each local service center. With almost half of the $1 million in expansion funds frozen or committed to already existing programs, DMR has been able to only partially complete this agenda.

Autistic Children

One important initiative, expected to begin in late spring, is the development of regional programs to serve autistic children. There are few residential resources for autistic children, and almost no family support or community programs that would allow parents to keep autistic children at home. Specialized community based programs are essential to allow children with mental retardation to live in their communities, attend school with children their own ages, make friends, and participate in community social and recreational programs.

Building Independence

DMR's Family Support Advisory Committee, made up of parents of children with mental retardation, has emphasized the need for young adults to have friends, a home, and a job as they grow older and become independent of their families. Increasing community based programs for children and adolescents with retardation can make this possible.

Head Injured Children

Each year there are 46,000 victims of auto accidents, gunshot wounds or other trauma who are treated for brain injury. Nearly half of the victims are children and young adults under 21 years of age. Almost 8,000 of the 46,000 have traumatic head injury and need services, but do not qualify for services provided to developmentally disabled. The MRC Statewide Head Injury Program (SHIP) was established to serve this population. Currently, only about 140 head injured clients receive day programs or other direct services from SHIP. Very few of these are children. The OFC Interagency Team identifies head injured children as the most difficult to serve: there are few services; traditional special education programs are not adequate. Funds to create new programs for the head injured are frozen in FY'89. House 1 fails to restore these cuts and includes no expansion funds.

Turning 22

Equally important is providing adequate funding for early intervention and Turning 22 Programs. Without program continuity, young people are at risk of losing the skills gained in special education programs. If parents are no longer able to care for them and no other programs are available, some young people will face institutionalization or become homeless. While services have been expanded annually to young people turning 22, there are long waiting lists, especially in DMR.

To date, DMR has served 712 eligible clients through Turning 22 funds. But by the end of FY'89, it is expected that the waiting list will reach 1,000. Because $400,000 in expansion is frozen in FY'89, the waiting list is increasing, especially for priority one clients. Even with the expansion proposed in House 1, there will be between 1,440 and 1,450 eligible clients on waiting lists; at least 150 will be priority one clients.

MCB will have served 69 deaf blind young people by the end of FY'89 through Turning 22 services. With an additional 109 just turning 22 or expected to be 22 by 1996, there will either be waiting lists for Turning 22 services or cuts in services to other blind clients. House 1 funds three deaf blind young people turning 22, but underfunds last year's expansion.

In 1987, MRC, the agency expected to pick up persons with physical disabilities no longer eligible for DPH services, estimated that 1,000 clients would need some level of assistance under Turning 22. A smaller number would need day or residential programs. By the end of FY'88, only seven residential and two day clients per month were being served. Although there was some expansion money for FY'89, the planned expansion could not take place due to reversion of funds. Admissions are now closed for Turning 22.

Massachusetts Commission for the Deaf and Hard of Hearing

MCDHH has provided case management and transitional services to 37 Turning 22 deaf clients. FY'89 cuts, which are carried forward in House 1, will mean a 15 percent reduction in staff, which will have a direct effect on Turning 22 services.

Department of Mental Health

In DMH, all $1.265 million in expansion for Turning 22 is frozen in FY'89. This has resulted in 35 highest priority clients going unserved, 25 of whom are at risk of institutionalization. There are 35 to 40 priority one clients on waiting lists at any given time. The $480,000 expansion in House 1 to fund 24 priority one clients for six months will serve some, but the waiting list will continue to grow.

The Commonwealth has taken some very important steps to ensure the ability of individuals with disabilities to attend school, gain skills, and become independent. Inadequate funding for Turning 22 and other programs that serve disabled children and young adults jeopardizes these gains, and makes it more difficult for families to care for their disabled children at home.

DEPARTMENT OF MENTAL RETARDATION

Reserve to Fund Administrative Costs of DMH/DMR 5712-0100

FY'89 Appropriation: $6,000,000
Funds Released in FY'89: $6,000,000
FY'90 Request: $10,356,853
House 1: $6,870,107
House Ways & Means: $4,912,722

This account funds new regional and area based staff, office space, and other administrative costs associated with the split of the Department of Mental Health and the Department of Mental Retardation. Almost $1.8 million was vetoed in the final stages of the FY'89 budget process. This has delayed opening of area

offices and has made it very difficult for regional and area staff positions to be filled. Although both DMH and DMR are served by this account, fully two-thirds of the account goes to DMR. Funding for DMR Regional Children's staff positions has been caught in the revenue fall-out.

Advocates hope this account will be used to put the much needed area children's coordinators in the new Department of Mental Retardation. These positions are crucial to helping mentally retarded children and their parents gain access to existing community programs and to creating new programs. Sports and recreation, after school programs, peer counseling, have often excluded children with mental retardation. These Coordinators can assist existing programs in adapting to serve children with mental retardation and organize local support networks for families.

House 1 includes funding to support the 93 split positions currently filled and assumes that the 93 remaining will remain open. These 93 positions are earmarked for regional and local service center program staff, including clinical directors, children's directors, and intake and referral specialist, as well as the children's coordinators.

SAC Recommendation: Support the agency request.

Turning 22 - MR 5911-0006

FY'89 Appropriation: $5,700,000
Funds Available in FY'89: $5,300,000
FY'90 Request: $4,100,000
House 1: $3,300,000
House Ways & Means: $3,300,000

This is a reserve account which funds transition planning and new services for mentally retarded individuals who are aging out of special education programs. Annualization of expansion funds is found in Mental Retardation Services (5948-0000). Some $400,000 in expansion is frozen in FY'89.

To date DMR has provided services to 712 eligible clients through Turning 22 (Chapter 688) funds. At the end of FY'88 722 individuals remained unserved or underserved with an estimated 295 turning 22 in FY'89. DMR has funds for only about 295 new clients this fiscal year out of the approximately 1100 needing services. With new clients becoming eligible, it is expected that the waiting list will be at 1,000 by the end of FY'89.

DMR's maintenance request was for $11.4 million, annualization of the FY'89 appropriation. The funds frozen in FY'89 are not restored; House 1 annualizes FY'89 expansion at $10.6 million and includes it in the mental retardation community services account (5947-0000).

House 1 recommends $3.3 million in expansion for Turning 22 services. The intent is to provide six months funding for residential and day services to 110 highest priority (priority one) clients at an average annual cost of $60,000. With an average of 550 new clients eligible each year, this will still leave between 1,440 and 1,450 on waiting lists, and **will add about 150 priority one clients to the waiting list.**

SAC

Recommendation: Increase House 1 by $4.5 million to serve the the additional 150 priority one clients on waiting lists.

MR
Children's Services
5947-0000

FY'89 Appropriation: $3,147,236 Funds Available in FY'89: $2,908,000 FY'90 Request: $4,763,771 House 1: $4,052,547 House Ways & Means: $4,052,547

This account was initiated in FY'88 as a new legislative mandate to fund services to mentally retarded children and their families. Funds were transferred from DMH to cover the cost of residential placements for 42 mentally retarded children and adolescents identified by the Office for Children's Interagency Team. The FY'88 expansion of $500,000 was used to serve 511 new children and adolescents through six family support programs, seven after school programs, two clinical teams, nine respite care programs and three social/recreational programs.

Although the FY'89 appropriation includes $1 million in expansion to build on the new programs begun in FY'88, $239,236 is frozen. Viewed as expansion, this money is already committed to contracts for after school programs previously funded by DSS and DMH. Only $500,000 is actually available for new programs.

Working closely with local school systems, DMR plans to use some of this money to support community based programs for children with autism. Some money is set aside for cases identified by OFC's Interagency Team, with most slated for community based programs. DMR plans to expand and create new family support programs, after school programs, clinical teams, parent training, respite care programs and social/recreational programs.

House 1 transfers $315,000 from DMH to fund MR adolescents previously served through DMH, and carries forward the FY'89 cuts. FY'89 expansion is annualized at $1.5 million instead of $2 million as expected. Without the additional funding, no new programs can be added, and some programs may be cut or start up later than planned.

SAC Recommendation:

Support the agency request and add

- $600,000 in individual service funds (ISF) to serve 20 children with mental retardation who are eligible for DMR services and for whom DMR has no program;

- $1.2 million for expanded community based services to support families and address the inequities among DMR areas.

Mental Retardation Services 5948-0000

FY'89 Appropriation: $225,200,000
Funds Available in FY'89: $223,468,664
FY'90 Request: $243,314,421
House 1: $258,238,321
House Ways & Means: $253,212,660

This account funds community services for mentally retarded clients. In FY'89, $7.7 million for respite care is transferred from DSS to this account to serve approximately 4,500 families. The $1.2 million slated for respite care expansion for families on waiting lists is frozen. It is estimated that the waiting list has grown this year from 1,400 to 1,668 families.

House 1 contains significant expansion, of which only the respite expansion will affect children. House 1 supports $1.2 million in respite care funding to serve an estimated 700 additional families. House 1 also adds $4.7 million in cost of living adjustments, $5 million for salary upgradings, $1.5 million for 50 residential beds for emotionally disturbed/mentally retarded (ED/MR) clients inappropriately placed in state hospitals, $2 million to fund community services base deficiencies, and $2.8 million to fully support eight community residential projects, serving 48 people, which are expected to open this year.

While Advocates would have liked enough respite funding to completely eliminate the waiting list, they are supportive of the $1.2 million increase projected to annualize at $2.4 million in FY'91.

SAC Recommendation:

Support House 1 recommendation of $1.2 million for respite care expansion to annualize at $2.4 million.

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MASSACHUSETTS COMMISSION FOR THE BLIND

Medicaid for the Blind 4110-1020

FY'89 Appropriation: $50,351,241
Funds Released in FY'89: $50,351,241
FY'90 Request: $72,308,031
House 1: $488,638
House Ways & Means: $488,638

This account provides free medical care for over 7,100 income-eligible blind persons in the state; 45 percent of the caseload is elderly. DPW's Kaleigh Mulligan program, serving severely disabled children, is partly administered through Medicaid for the Blind.

This account is running a $13.7 million deficiency in FY'89. FY'90 expenses are estimated at $72.3 million.

House 1 moves the bulk of this account to the consolidated Medicaid Basic account at DPW (4402-5000), but leaves funding and responsibility for eligibility determination at MCB. Based on estimated savings, only $62.4 million is added to the DPW account. Analysts doubt this will be adequate.

SAC Recommendation:

Support continuation of eligibility determination at MCB.

Social Services for the Blind 4110-2040

FY'89 Appropriation: $5,265,793
Funds Released in FY'89: $5,265,793
FY'90 Request: $5,966,161
House 1: $5,719,632
House Ways & Means: $5,719,632

This account provides a range of services to legally blind individuals including services to children under age 14 years, such as infant stimulation, respite and consultation to public schools.

The current social services caseload at MCB is 3,000, up from 2,755 a year ago. An estimated 700 to 750 of these are children. An increasing number of these children are multihandicapped. There are currently six social workers for these blind children. Individual case loads exceed 100.

In FY'87, a project was initiated to assist deaf-blind individuals who are turning 22 years of age, and are no longer eligible for special education services under Chapter 766. Of these multiply handicapped people, 69 will be receiving services by the end of FY'89. This program coordinates and plans services for the deaf-blind population, as well as providing direct vocational and independent living services. An estimated 109 deaf blind individuals have either just turned 22 in Massachusetts, or will between now and 1996.

Budget shortfalls in FY'89 have had a serious effect on service delivery. Ten clients have not received hearing aids or low vision aids as a result of the FY'89 reversion target, and there is a waiting list for homemaker services of 15 people statewide. Campership and respite care have been cut back.

In order not to drop clients completely, MCB has chosen to cut back on service levels. The duration of mobility training declined from 13 to 16 weeks to between 8 and 10 weeks; recently hospitalized blind individuals who need home care receive only two weeks of services as compared to last year's average of six weeks.

House 1 shows an 8.6 percent increase over FY'89 and includes funds for three new deaf blind Turning 22 clients. House 1 also funds annualization of last year's expansion for Turning 22 clients, but at a level $95,000 lower than MCB's request.

SAC Recommendation: Support the agency request.

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MASSACHUSETTS REHABILITATION COMMISSION
Social Services for the Disabled
4120-0012

FY'89 Appropriation: $17,188,369
Funds Released in FY'89: $17,188,369
FY'90 Request: $17,417,126
House 1: $17,884,052
House Ways & Means: $17,884,052

Beginning in FY'88, a number of different programs were combined in this line item. These programs received the following appropriations in FY'89: Supported Work for the Mentally Retarded - $1,512,000, Extended Sheltered Employment - $6,215,000, Independent Living - $2,127,000, of which $925,000 is to be spent on Turning 22 clients, Homemaker/Chore services - $4,000,000, Personal Care Assistance - $1,720,000, Supported Work for the Emotionally Disturbed - $700,000, Arts for Persons with Disabilities - $155,570, Recreation for Persons with Disabilities - $494,156, Abuse Protection and Investigation - $180,000, and a Housing pilot program for severely disabled - $238,400.

The total allocated is less that the individual appropriations specified in FY'89 budget language. As each program runs out of money, the waiting lists will grow. Extended sheltered employment now has a waiting list of 274, expected to grow to between 300 and 350 by the end of the year.

The FY'89 budget includes $300,000 in expansion for Turning 22. At the end of 1987, MRC estimated that 1,000 individuals would be eligible for some level of assistance, a smaller number requiring either day or residential programs. By the end of FY'88, MRC was placing only seven residential clients per month and two day program clients per month. MRC has anticipated expanding 11 residential and 25 non-residential slots. This expansion will not take place due to budget constraints: admissions have been closed for the Turning 22 program for FY'89 and an early intervention program for Turning 22 is eliminated.

House 1 includes $335,000 to provide services for 39 new Turning 22 clients and a 4.25 percent COLA for service providers, but cuts the base by $200,000. Not all planned expansion can take place. House 1 also refers to a plan to "redeploy base funding" by moving 650 clients out of sheltered workshops to extended sheltered employment, but does not include the necessary start-up funds to allow this to happen.

SAC Recommendation: Support House 1.

Statewide Head Injury Program 4120-0071

FY'89 Appropriation: $8,044,990
Funds Available in FY'89: $7,294,990
FY'90 Request: $8,794,990
House 1: $7,450,000
House Ways & Means: $7,550,009

The Statewide Head Injury Program (SHIP) was established in FY'86 to serve the needs of people who survive traumatic head injuries but have serious handicapping conditions. According to a 1987 study, *The Status of People with Brain Injuries in Massachusetts*, there are 46,000 victims each year of auto accidents, gunshot wounds or other trauma who are treated for brain injury. Nearly half of these victims are children and young adults under 21 year of age. Almost 8,000 of the 46,000 individuals have traumatic head injuries, and do not qualify for aid provided to the developmentally disabled. Currently, only about 140 head injured clients receive direct services such as day programs through SHIP. Very few of these are children.

There are five case managers, who by the end of FY'89 will carry 35 to 40 cases each. Another 660 individuals are on waiting lists for case management, up from 500 last year. A neurobehavioral unit is opening late this year at McLean Hospital to accommodate head injured patients who require institutional care. Until now, Massachusetts residents who needed this care had to be placed outside of the state, at a cost of up to $250,000 per year. The project is starting a year later than expected, and is funded with $225,000 carried over from FY'88.

Funds for 20 new day program slots, residential programs for five additional head injured clients and $350,000 in the purchase of services account are frozen in FY'89. With an additional $360,000 committed to a program at Western Massachusetts Hospital, about $6.9 million is available for programs for head injured.

Lack of programs and funds for children has been frustrating to advocates for the head injured. OFC's interagency Team has its most serious challenge coming up with programs for head injured adolescents. Many are not eligible for traditional special education services or may have already graduated from high school.

House 1 level funds this account by continuing the cuts taken in FY'89. In addition, House 1 projects $750,000 in savings by transferring clients from out-of-state-programs to McLean Hospital. The McLean program will serve 12 severely behaviorally-involved patients. Since only one of its placements will be a previously out-of-state patient, whose costs have been $250,000 per year, the savings projection is too high. If the savings goal has to be met, other programs will suffer. This is of particular concern since DMH state hospitals will no longer take head injured referrals.

The Massachusetts Head Injury Foundation (MHIF) supports the agency request which restores the $750,000 cut in FY'89 and adds another $750,000 for non-residential services. The agency budget also includes six months funding for community housing serving 16 people. The Foundation also supports an additional $185,000 for six staff positions which were authorized but have never been released.

SAC Recommendation:

Support the agency request and the MHIF recommendation of $185,000 for six staff positions and add

- $2 million for services for children and adolescents: $.75 million for individual service funds for children assigned to SHIP by the Interagency Team and $1.25 million for respite and community-based residential services.

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MASSACHUSETTS COMMISSION FOR THE DEAF AND HARD OF HEARING 4125-0100

FY'89 Appropriation: $3,821,273
Funds Available in FY'89: $3,821,273
FY'90 Request: $3,957,685
House 1: $3,712,496
House Ways & Means: $3,712,496

MCDHH was created in FY'87 to coordinate services for the 30,000 to 40,000 deaf and the 264,000 to 304,000 hearing impaired individuals in the Commonwealth. MCDHH evaluates services for the deaf administered in various state agencies, provides information and referral services, and supplies interpreters. Demand for interpreter services has increased significantly. In FY'85, there were about 4,000 requests for interpreters; in FY'88, the agency met 10,000 of the almost

14,000 requests made. In FY'89, the number continues to climb, outstripping the agency's ability to provide interpreters. In the first months of the fiscal year, there were 853 requests for interpreters, 89 percent of which were filled. In the fourth month, there were 1,407 requests; only 75 percent of which were met.

MCDHH also provides case management, independent living skills, turning 22 services, and has been authorized to sell, or lease at a discount, telephone/telecommunications (TTY) devices for the deaf. A message relay service allows users of TTY equipment to communicate with those who do not have it. Services to children include needs assessment and consultation for early intervention and education programs. In FY'89, the staff position for parent counseling and technical assistance with regard to early intervention was eliminated due to budget cuts. Agency plans for an independent living trainer in Worcester and for training on substance abuse and AIDS were also canceled. In total, $200,000 is being reverted by the agency in FY'89.

MCDHH's FY'89 request includes restoration of the programs cut from the FY'89 budget. House 1 funds maintenance at a lower level and carries the cuts in FY'90. This will result in an even greater strain on interpreter services and will undermine the TTY distribution program. There is still $45,000 for equipment, but there is no staff to distribute it.

SAC Recommendation: Support the agency request.

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DEPARTMENT OF MENTAL HEALTH
Turning 22 Services
5011-0006

FY'89 Appropriation: $1,265,000
Funds Available in FY'89: $0
FY'90 Request: $960,000
House 1: $480,000
House Ways & Means: $0

This account is a reserve account which funds continuing services to the mentally ill who lose eligibility for Chapter 766 special education programs when they turn 22 years old. Programs and services are individually purchased to meet the needs of the client, and may range from supported work to supervised apartment and community group homes. In FY'88 DMH served almost 60 clients.

All funds targeted for clients turning 22 in FY'89 are frozen resulting in 35 of the highest priority (priority one) clients going unserved, 25 of which are at risk of returning to state hospitals. DMH wants these funds annualized and included in maintenance in the community services account (5046-0000). **SEE SECTION ON CHILDREN'S MENTAL HEALTH.**

House 1 fails to restore FY'89 cuts, but includes six months funding for 24 priority one clients. Because many clients are waiting for services this year and more will turn 22 during FY'90, significant increases are needed to serve at least 48 of the highest priority clients. There are 35 to 40 highest priority clients on the waiting list at any time. The average cost per client is $40,000.

SAC Recommendation: Increase funding to $.960 million to annualize at $1.92 million.

****

DEPARTMENT OF EDUCATION
Special Needs Recreation
7061-0010

FY'89 Appropriation: $400,000
Funds Released in FY'89: $400,000
FY'90 Request: $400,000
House 1: $400,000
House Ways & Means: $400,000

This account reimburses cities and towns up to 50 percent of the cost of running recreation programs for school age children with special needs. Because this account is never fully funded, the reimbursement rate is 40 percent. In FY'89, 45 cities and towns will receive special needs recreation funds to cover FY'88 expenses.

SAC Recommendation: Support House 1.

CHILDREN'S BUDGET ACCOUNTS INDEX*

* All child-related accounts appearing in House 1 are listed on the following pages.

BASIC HUMAN NEEDS

Dept.	Account	Description	FY'89 Approp.	Page
DOR	1201-0160 Child Support Enforcement	Administration of Child Support Enforcement Unit responsible for representing all custodial parents.	$ 19,611,346	9
EOCD	3000-0301 3000-0302 3000-0303 Gateway Cities Program	Provision of grants and additional local aid to 26 communities with large populations of non-English speaking recent immigrants.	$ 7,174,388	9
EOCD	3722-8878 Rental Development Action Loans	Funds existing gap between state and federal housing development program assistance and level of subsidy necessary for affordability.	$ 0	10
EOCD	3722-8880 Home Ownership Opportunity	Provides general revenue funding to the low-interest mortgage program of MHFA.	$ 0	10
EOCD	3722-9001 Neighborhood Housing Services Program	Maintains a revolving fund for loans to low and moderate income homeowners for repairs and improvements.	$ 834,968	10
EOCD	3722-9006 Homelessness Prevention	Provides Chapter 707 rental assistance certificates to prevent homelessness.	$ 0	11
EOCD	3722-9018 Supportive Services for Public Tenants	Funds remedial education, employment and training services, and day care development in public housing.	$ 2,786,270	11,27

EOCD	3722-9024 Housing Subsidies	Funds state subsidies for low income tenants in both public and private housing.	$ 130,933,496	12
EOCD	3722-9027 State Housing Assistance for Rental Production (SHARP)	Subsidizes private rental housing in which 25 percent of the units built or renovated are reserved for low income households.	$ 14,373, 719	12
EOCD	3743-2036 Housing Services	Provides support through counseling, workshops and landlord/tenant mediation to prevent low income tenants and homeowners from losing their homes.	$ 2,258,440	12
EOCD	3743-2037 Program to Alleviate Poverty	Supplements federal funds for Community Action Programs.	$ 250,000	
EOCD	3745-1000 Emergency Fuel Assistance	Provides assistance for fuel bills, up to a maximum payment set by federal guidelines, for households eligible for federal assistance but for which federal funds no longer exist.	$ 16,996,000	13
EOCD	3748-0010 Residential Lead Paint Grant and Loan Program	SEE HEALTH, NUTRITION AND SAFETY SECTION		

DPW	4400-1000 DPW Administration	Administers central DPW office and several programs including Food Stamp Administration and Project Good Health.	$ 12,176,310	13
DPW	4400-1009 Employment and Training and Voucher Day Care	Offers service to AFDC recipients including career assessment, basic or college education, vocational skills training, and supported work.	$ 74,457,531	14,30
		ALSO SEE CHILD CARE SECTION		
DPW	4400-1200 Food Stamp Administration	Funds the state administration of the federal Food Stamp Program.	$ 12,176,310	15
DPW	4400-1400 Project Good Health	SEE HEALTH, NUTRITION AND SAFETY SECTION		
DPW	4403-2000 Aid to Families with Dependent Children	Provides monthly benefits to all financially eligible families with children.	$ 557,218,393	15
DPW	4406-2000 General Relief	Provides cash assistance and medical services to income-eligible families and individuals not eligible for other state or federal public assistance programs.	$ 96,000,000	16

DPW	4406-3000 Homelessness Program	Supports 50 to 75 percent of the costs of the shelters operating in the state.	$ 28,481,284	17
DPW	4406-5000 General Relief Health Plan	Provides medical care for General Relief recipients through a comprehensive range of in- and out-patient care.	$ 21,000,000	
DPW	4407-1010 General Relief Employment and Training	Funds a voluntary Employment and Training Program for General Relief recipients.	$ 1,292,000	

CHILD AND FAMILY SUPPORT

Dept.	Account	Description	FY'89 Approp.	Page
EOHS	4000-0720 Teenage Pregnancy Prevention	SEE HEALTH, NUTRITION, AND SAFETY SECTION		
OFC	4130-0002 Trust Fund for Child Abuse Prevention Programs	Supports community-based prevention program development.	$ 150,000	21
OFC	4130-0005 Field Operations	Provides funding for OFC field operations of Licensing, Help for Children, and Community Development Programs.	$ 10,600,000	20,28
DSS	4800-0020 Permanency Services	Funds the administration and implementation of certain adoption services, including adoption subsidies and guardianships.	$ 17,779,250	21
DSS	4800-0023 Adolescent Assessment/ Treatment	Funds adolescent assessment and treatment programs.	$ 2,744,367	22
DSS	4800-0025 Foster Care Review	Provides foster care review on all children in substitute care.	$ 2,273,588	22
DSS	4800-0028 New Program Reserve	Funds an increase in foster care, adoption and guardianship subsidies.	$ 4,000,000	23

DSS	4800-0030 Foster Care subsidies, Reimbursements and Related Contract Services	Provides for foster care services including reimbursements to foster parents, clothing allowance, extraordinary expenses, and training.	$ 0	23
DSS	4800-0050 New Chardon Street Home	Funds operation of the New Chardon Street Home for women, a temporary shelter for women and their children.	$ 593,878	
DSS	4800-0200 Regional Direct Services	Provides funding for DSS social workers and the majority of DSS social services including counseling, emergency shelter and family planning.	$ 112,016,710	24
DSS	4800-1040 Public Private Partnership Program (PPPP)	Matches 25% private sector costs with 75% state funds for private sector programs.	$ 15,219,156	

CHILD CARE

Dept.	Account	Description	FY'89 Approp.	Page
DCPO	1102-3210 Child Care Pool	Establishes a child care pool account to start up six to eight child care centers for state employees each year.	$ 9,814,912	
EOCD	3722-9018 Supportive Services for Public Tenants	SEE BASIC HUMAN NEEDS SECTION		
EOHS	4000-0770 Provider Salaries	Provides funds to upgrade salaries for human service and day care providers.	$ 17,300,000	27
OFC	4130-0001 Office of the Commissioner	Administers the Central Office for Children functions including Legal, Communications, Licensing, Advocacy, and Administrative services.	$ 1,447,962	28
OFC	4130-0005 Field Operations	Provides funding for OFC field operations of Licensing, Help for Children, and Community Development Programs.	$ 10,600,000	20,28
OFC	4130-0016 Child Care Resource and Referral	Funds a statewide network of Child Care Resource and Referral Services.	$ 1,835,918	29

DPW	4400-1009 Voucher Day Care and Employment, and Training	Funds day care costs for AFDC mothers participating in the DPW Employment and Training (ET) Program.	$ 74,457,531	14,30
		ALSO SEE BASIC HUMAN NEEDS SECTION		
DSS	4800-0060 Day Care	Provides state-supported day care services including day care subsidies to low-income working parents, protective day care slots for children at risk of abuse or neglect, and teen parents.	$ 95,925,259	30
DOE	7030-1000 Early Childhood Education	Administers grants and provides technical assistance to cities and towns for the development of preschool, enhanced kindergartens, transitional first grade programs, and combined day care and early education programs.	$ 10,000,000	31,66
DOE	7030-1500 Head Start Program	Provides preschool educational readiness programs targeted to low-income communities meeting federal guidelines.	$ 6,000,000	32,67
EOEA	9000-0104 Corporate Child Care	Provides technical assistance to private companies interested in establishing employee child care programs.	$ 73,250	32

HEALTH, NUTRITION AND SAFETY

Dept.	Account	Description	FY'89 Approp.	Page
EOCD	3748-0010 Residential Lead Paint Grant and Loan Program	Funds grant and loans to low and moderate income homeowners and landlords for the removal of lead paint from residential properties.	$ 350,000	51
EOHS	4000-0720 Teenage Pregnancy Prevention	Provides grants to communities for the prevention of teenage pregnancy and support to parenting teens.	$ 1,320,295	36
DPW	4400-1000 DPW Administration	SEE BASIC HUMAN NEEDS SECTION		
DPW	4400-1003 Medicaid Administration	Funds staff and support costs to operate the state's Medicaid Program.	$ 18,053,653	
DPW	4400-1400 Project Good Health	Provides comprehensive preventive health care including health and nutrition education for Medicaid recipients under 20 years of age.	$ 1,433,857	36
DPW	4400-4000 Common-Health	Provides health insurance coverage to four populations including families leaving AFDC for employment, pregnant women and young, children, and disabled children not eligible for Medicaid.	$ 8,000,000	37

DPW	4402-5020 Medicaid (Basic)	Administers a program which provides free medical services to all financially and medically needy families and individuals.	$1,543,120,000	38
DPW	4406-5000 General Relief Health Plan	SEE BASIC HUMAN NEEDS SECTION		
DPW	4407-2000 Employment and Training Health	SEE BASIC HUMAN NEEDS SECTION		
DPH	4510-0103 Health Promotion	Promotes school health education programs focused on cigarette smoking, proper nutrition and physical fitness among other prevention activities.	$ 741,270	
DPH	4510-0110 Community Health Center Grants Program	Awards grants, not more than $25,000 each, to community health centers to provide specific services including obstetrics and gynecology, pediatric and adolescent services, and social services.	$ 1,474,752	40
DPH	4510-0600 Environmental Health	Monitors environmental hazards including lead paint poisoning and its impact on health through local, state and federal agencies.	$ 3,422,134	40

DPH	4510-0611 Lead Poisoning Prevention Reserve	Provides for the implementation of the Commonwealth's new lead law Chapter 773.	$ 300,000	51
DPH	4512-0103 AIDS	Supports AIDS research, testing, counseling, public education, prevention, community health and home care services, and treatment for long term care patients.	$ 14,618,020	41
DPH	4512-0200 Alcoholism and Drug Rehabilitation	Provides drug and alcoholism services for adults and youth including youth residential treatment programs.	$ 38,728,528	43
DPH	4512-0050 Dental Health	Serves developmentally disabled children in state schools and in the community as well as Department of Youth Services clients living in secure facilities.	$ 2,655,000	
DPH	4512-0550 Fluoridation Assistance	Reimburses partial cost for fluoridation of water to cities and towns.	$ 125,000	
DPH	4513-1000 Family Health Services	Funds the majority of programs within the Department's Bureau of Parent, Child and Adolescent Services including the Services for Handicapped Children (SHC) and Maternal and Child Health (MCH) Programs.	$ 21,578,409	44

DPH	4513-1002 Office of Nutritional Services	Funds the Women, Infants and Children (WIC) Program, the Office of Nutrition and purchased services for failure-to-thrive children.	$ 9,432,881	45
DPH	4513-1005 Healthy Start	Provides prenatal care to low-income women without health insurance.	$ 3,100,179	47
DPH	4513-1006 Pediatric Hospice	Administers funds to operate a pediatric hospice as an adjunct to an existing adult hospice in Boston.	$ 25,000	
DPH	4516-1000 Laboratory and Communicable Disease Control	Supports Center for Laboratories and Communicable Disease Control with responsibilities including newborn screening and production and distribution of vaccines and serums to immunize children.	$ 15,121,485	
DPH	4540-0001 Consolidated Hospitals	Funds seven public health hospitals to provide clinical services to meet the needs of patients not adequately served by the private sector.	$ 78,249,999	
DMS	4600-1000 Administration	Funds staff of Department of Medical Security to carry out the state's new Health Security Act, Chapter 23.	$ 938,000	48

DMS	4600-1050 Uncompen-sated Care Pool	Funds hospital care costs for uninsured low income individuals.	$ 1,000,000	49
DMS	4600-1300 Health Insurance Phase-Ins	Provides funding for pilot programs which will create health insurance packages for the uninsured.	$ 5,000,000	50
DLI	9410-0101 Retained Revenue Lead Paint Removal	Provides protection for workers who remove lead paint by inspecting their worksites.	$ 350,000	52
DSS	4800-0200 Regional Direct Services	SEE CHILD AND FAMILY SUPPORT SECTION		
DOE	7032-0500 Comprehensive Health Education	SEE EDUCATION SECTION		

MENTAL HEALTH

Dept.	Account	Description	FY'89 Approp.	Page
DYS	4202-0021 Residential Programs Purchase of Service	SEE JUVENILE JUSTICE SECTION		
DYS	4237-1010 Community Based Treatment Units	SEE JUVENILE JUSTICE SECTION		
DYS	4238-1000 Consolidated Service Facilities	SEE JUVENILE JUSTICE SECTION		
DPW	4402-5000 Medicaid (Basic)	SEE HEALTH, NUTRITION, AND SAFETY SECTION		
DPW	4402-5300 Medicaid for Mentally Ill	Funds treatment through community services to encourage independence and to avoid institutional care for the mentally ill.	$ 70,000,000	58
DMH	5046-0000 Adult Mental Health Services	Funds residential programs, outpatient services and home support in all districts except those services offered by state-funded community mental health centers.	$ 141,470,791	57

DMH	5047-0000 Children and Adolescent Mental Health Services	Funds mental health health services for children and adolescents through out-patient, residential, day, emergency, family support, case management and in-patient programs.	$ 47,924,149	55
DSS	4800-0023 Adolescent Assessment/ Treatment	SEE CHILD AND FAMILY SUPPORT		

JUVENILE JUSTICE

Dept.	Account	Description	FY'89 Approp.	Page
DYS	4202-0021 Residential Programs Purchase of Service	Provides funding for residential and non-residential purchased services including group care, foster care and non-secure detention.	$ 34,200,000	60
DYS	4237-1010 Community-Based Treatment Units	Provides funding for regional offices, staff and equipment, community-based treatment services for clients, and the Stephen L. French Youth Forestry Camp.	$ 6,250,000	61
DYS	4238-1000 Consolidated Secure Facilities	Funds the detention, treatment and shelter programs operated by the Department.	$ 11,400,000	62
DMH	5049-0000 Forensic Mental Health	Funds mental health services to court referred or committed persons, some of whom are children.	$ 7,615,118	62

EDUCATION

Dept.	Account	Description	FY'89 Approp.	Page
DOE	7010-0012 Racial Imbalance	Provides grants to cities and towns for payment of costs incurred in eliminating racial imbalance.	$ 14,247,625	
DOE	7010-0025 Statewide Assessment/ Basic Skills	Funds the statewide assessment testing program.	$ 1,300,000	
DOE	7010-0043 Equal Education Improvement Funds	Provides grants to cities and towns with students of Hispanic and Southeast Asian origin for specialized curriculum and staff.	$ 9,641,900	
DOE	7010-0044 Emergency Grants for Minority Population	Provides funding for cities where current demographic changes due to immigration and relocation of families has increased the need for English as a second language teachers, bilingual teachers and specialized curriculum.	$ 500,000	
DOE	7027-0016 Matching Grants for various school-to-work programs	Supports a program for twelfth graders to help them make the transition from school to work through employer connections and support.	$ 1,775,000	

DOE	7028-0031 Institutional Schools	Provides funds for educating students in institutional settings, including state hospitals, state schools and Department of Mental Health Intensive Residential Treatment Programs (IRTP).	$ 9,679,550	
DOE	7028-0101 Local Education Authority Incentive Grants	Provides grants to cities, towns and regional school districts for the development of programs for children returning to their communities from institutional settings.	$ 839,759	77
DOE	7028-0302 Private Schools	Funds the incurred expenses of children who have no father or mother living in the Commonwealth and were placed in programs by the Department of Public Welfare prior to 1974.	$ 7,750,000	77
DOE	7030-1000 Early Childhood Education	SEE CHILD CARE SECTION		
DOE	7030-1500 Head Start	SEE CHILD CARE SECTION		

DOE	7030-1600 Carnegie Schools	Funds a discretionary grant program for schools that design an innovative school governance approach.	$ 1,000,000	67
DOE	7030-2000 Basic Skills/ Remediation	Provides for the remediation of students who have not met basic skill levels in reading and math as measured through the statewide testing program (7010-0025).	$ 10,000,000	68
DOE	7030-2001 Commonwealth Futures Program	Supplements a private grant to establish a coordinated statewide effort to address the dropout problem through the development of local dropout prevention programs in target communities.	$ 1,000,000	69
DOE	7030-3000 Leadership Academy	Provides inservice professional development programs for school administrators	$ 500,000	69
DOE	7030-4000 Lucretia Crocker Program	Awards fellowships to public school teachers who have developed innovative educational programs and curricula.	$ 504,000	70
DOE	7030-4060 Professional Development Schools	Funds an interagency agreement with Bridgewater State College to maintain a field center for teaching and learning.	$ 500,000	70

DOE	7030-5000 Education Technology Trust	Administers a discretionary grant program to integrate technology into the classroom.	$ 300,000	70
DOE	7032-0211 Gifted and Talented	Funds support programs for gifted and talented children in public school settings.	$ 750,000	71
*DOE	7032-0500 Comprehensive Health Education	Provides grants to cities, towns and regional school districts for school-based comprehensive health education program planning in the public schools.	$ 1,500,000	71
DOE	7035-0004 School Transportation	Provides school districts with funding for school transportation.	$ 64,924,160	
DOE	7061-0009 State Wards	Reimburses costs to cities and towns providing educational services to children in the custody of Department of Social Services.	$ 7,300,000	
DOE	7061-0010 Recreational Programs	SEE DISABLED CHILDREN SECTION		
DOE	7061-0012 Non-Educational Residential Cost (60/40)	Provides funds for residential program costs for children placed by Local Education Authorities. 60 percent of the costs are paid by the state directly to the vendor.	$ 17,000,000	78

DOE	7061-1000 Equal Education Opportunity Grants	Supplements the direct spending budgets of school districts currently spending less than 85 percent of the statewide per pupil average.	$ 110,174,292	72
DOE	7061-2000 Professional Development	Provides grants to cities, towns, regional school districts, educational collaboratives, and independent vocational schools for programs designed to attract and retain teachers.	$ 0	
DOE	7061-4000 School Improvement Councils	Establishes a per pupil entitlement for all children in grades kindergarten through twelve for funds disbursed to School Improvement Councils for supplemental equipment, special projects or additional curriculum.	$ 10,100,000	73
DOE	7061-4060 REACH Awards	Rewards schools that reach or exceed educational goals.	$ 500,000	73
DOE	7061-5000 Horace Mann Grants	Provides grants to teachers who increase responsibilities and add new roles to their present position in order to enhance curricular activity.	$ 7,409,146	74

DISABLED CHILDREN

Dept.	Account	Description	FY'89 Approp.	Page
MCB	4110-1020 Medicaid for the Blind	Provides free medical care for income-eligible blind persons.	$ 50,351,241	85
MCB	4110-2040 Social Services for the Blind	Provides a range of services, including rehabilitative service such as skills training in cooking and clothes labeling for the newly blind, 70 percent of who are over 65 years of age.	$ 5,265,793	85
MCB	4110-3010 Vocational Rehabilitation for the Blind	Provides job training services to certain blind individuals including evaluation, diagnosis, counseling, guidance and referral, vocational training, physical or mental rehabilitation, transportation and job placement.	$ 1,970,079	
MRC	4120-0010 Vocational Rehabilitation	Assists permanently disabled persons to maximum independence through job training and placement, personal care assistance, and independent living programs.	$ 3,273,772	

MRC	4120-0012 Social Services for Disabled	Provides social services to those severely handicapped individuals who are not eligible for vocational rehabilitation services but who can be helped to live independently within the community.	$ 17,188,369	87
MRC	4120-0071 Services to Head-Injured	Provides services to head-injured persons including technical assistance, case management, placement, and aftercare.	$ 8,044,990	88
MCDHH	4125-0100 Massachusetts Commission for the Deaf and Hard of Hearing	Funds the administration of and services provided by the MCDHH including information and referral, interpreters, case management, and independent living services. The Commission also evaluates the effectiveness of services provided for the deaf by various state agencies.	$ 3,821,273	89
DPW	4400-4000 Common-Health	SEE HEALTH, NUTRITION AND SAFETY SECTION		
DPW	4402-5000 Medicaid (Basic)	SEE HEALTH, NUTRITION, AND SAFETY SECTION		
DPW	4402-5300 Medicaid for Mentally Ill	SEE MENTAL HEALTH SECTION		
DPH	4513-1000 Family Health Services	SEE HEALTH, NUTRITION, AND SAFETY SECTION		

DMH	5011-0006 Turning 22 Services	Funds transition planning and services to mentally ill and developmentally disabled persons who become ineligible for special education services upon turning 22 years of age.	$ 1,265,000	90
DMR	5712-0100 Reserve to Fund Administrative Costs Associated with Split of DMH & DMR	Funds Department staff and other administrative costs associated with the split of DMH & DMR.	$ 6,000,000	81
DMR	5911-0006 Turning 22 - MR	Funds transition planning and new services for mentally retarded individuals who become eligible for services under Chapter 766 upon turning 22 years of age.	$ 5,700,000	82
DMR	5947-0000 Child/ Adolescent Services	Funds services to mentally retarded children and their families including specialized home care, after-school care, skills training and recreation programs.	$ 3,147,236	83
DMR	5948-0000 Mental Retardation Services	Funds all services to mentally retarded persons outside of state schools including respite care.	$ 225,200,000	84

DMR	5983-0100 Mental Retardation Facilities	Funds the state schools for the mentally retarded and Mansfield Residential Autistic Program, Glavin Regional Center, Monson Developmental Center, and Hogan-Berry Center.	$ 268,000,000	
DOE	7061-0010 Special Needs Recreation	Funds summer recreational programs operated by individual cities and towns for children with special needs.	$ 400,000	91

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Massachusetts
Office for Children

The Children's Budget

GOVERNMENT DOCUMENTS
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Michael S. Dukakis
Governor
Philip W. Johnston
Secretary of Human Services
Mary Kay Leonard
Director, Office for Children

March '87

THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE OFFICE OF HUMAN SERVICES

OFFICE FOR CHILDREN

RY KAY LEONARD
DIRECTOR

150 CAUSEWAY STREET, BOSTON, MASSACHUSETTS 02114

AREA CODE (617)
727-8900

March 1987

Dear Friends of Children:

The state's budget process for the next fiscal year is now underway. Since the budget is one of the most important pieces of children's legislation each year, we believe it should be well understood by anyone interested in children's services. To make the budget process more understandable and accessible, and because chapter 28A states that the Office for Children shall, "...analyze and evaluate all budget requests for services to children from departments or agencies within all Executive Offices...", the Office for Children has developed the Children's Budget.

This year's Children's Budget is an analysis of agency and secretariat requests and the Governor's House I Budget. Thanks to the commitment and leadership of Governor Michael S. Dukakis and Secretary of Human Services Philip W. Johnston, House I supports the growth in services which has occured in the last four years, for the Commonwealth's children.

This spring the Office is distributing the Children's Budget, along with the Statewide Advisory Council's Our Commitment to Children. The documents are intended to complement one another to provide a comprehensive view of the needs and resources for children in our communities.

We hope that this document, and subsequent information on the House and Senate Ways and Means Committees' budgets, will help inform all who are interested in ensuring that the children of the Commonwealth obtain the services they need and deserve.

I wish to extend special thanks to the staff in the agencies and executive offices discussed in the Budget, to the Governor's Office of Federal Relations staff and to the Massachusetts Human Services Coalition for their assistance and cooperation.

I also wish to thank the Children's Budget Committee for their dedication and commitment to the children of the Commonwealth. The OFC Children's Budget Committee includes: Jan Anderson, Maureen Blaha, Loretta Burns, Michael Coughlin, Mary Dailey, Dianne Hagan, Polly Halfkenny, Bruce Hershfield, Robin Holman, Janet Hookailo, Joyce Mathon-Trotman and Len Thomas.

Sincerely,

Mary Kay Leonard

Mary Kay Leonard, Director
Office for Children

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INTRODUCTION

General Information

The Children's Budget has been issued annually by the Office for Children since 1975. It reports on the funds requested for children's programs by each state agency that provides services to children. This document also analyzes the budget requests filed by agencies and the Governor's House 1 request.

Throughout the budget process the Statewide Advisory Council of the Office for Children will publish "Legislative Reports". These reports will provide updates on House Ways and Means Committee, Senate Ways and Means Committee and Conference Committee recommendations for the FY '88 Budget.

The Office for Children and the Children's Budget Committee wish to make this a usable and valuable source of information for the child advocacy community. To assist in that process, a brief description of the budget process follows.

The Budget Process

The state budget, perhaps one of the most important tools for making policy, is a blueprint for the way in which billions of dollars are to be spent during the state's fiscal year which begin on July 1,1987 and ends June 30. The preparation of the final budget for the Commonwealth begins several months before the beginning of the fiscal year, and generally, but not always, concludes prior to the beginning of that new fiscal year.

The major steps in the budget process are as follows:

1. State agencies develop their budget requests during the summer months. In September, requests are sent to the appropriate cabinet secretary, the Senate and House Ways and Means Committee, the Budget Bureau and the Legislative Committee on Post Audit and Oversight.

2. In October, each secretariat holds public hearings on its agencies' budget requests. The secretariats' recommendations are then forwarded to the Office of the Secretary of Administration and Finance (the Budget Bureau).

3. The Budget Bureau finalizes each secretariat's request and makes recommendations to the Governor. The Governor's Budget Request, House 1, is submitted by the Governor to the Legislature in January.

4. House I is reviewed by the House Ways and Means Committee, and the Committee holds public hearings on it. The Committee then reports out its recommendation

for the next fiscal year's budget. That document is sent to the House floor where it is discussed, amended and voted upon as the House version.

5. The Senate Ways and Means Committee also reviews, and holds public hearings on the budget recommendations contained in both House I and the House version. The Senate Ways and Means version is discussed, amended and voted upon by the Senate. The Committee makes its own recommendations to the Senate on what the Budget ought to be. The entire Senate then discusses amends, and votes upon a Senate version.

6. Inevitably, because of differences between the House and Senate versions, a Joint Conference Committee is formed. This body usually consists of six members - the chair and vice-chair of both Ways and Means Committees and a Republican minority member from each legislative body. The Conference Committee works out compromise solutions where differences exist in the House and Senate versions. The product of this Committee is sent to both the House and Senate for a final vote. Debate occurs, but no amendments can be offered.

7. Once the budget is approved it is sent to the Governor for his signature. The Governor reviews it. He has ten days within which to make line item vetoes (i.e. reject specific appropriations) and approve the remainder of the Budget.

8. The legislature, if still in session, reviews the line items identified for veto and has ten (10) days within which to override the Governor's line item vetoes if it so chooses.

USER INFORMATION

The Children's Budget is an issue-oriented document designed to provide advocates for children with information regarding state funding of Children's services. The document highlights those accounts in the budgets of the human services agencies, the Department of Education, and a few other selected agencies which fund services to children. The accounts are grouped together under the type of service they fund and are ordered by account number.

These service categories are: Basic Human Needs, Child and Family Support Services, Day Care, Child-Adolescent Health, Child-Adolescent Mental Health, Juvenile Justice, Education, and Disabled Children, and Provide Salary Parity.

The sections of this document describing each service category begin with a brief description of the agencies and services discussed, a summary of expansion services requested, and an approximate total for the funds devoted to children in that service category. Analysis of each account follows. The Office for Children is analyzed separately, although certain accounts are also discussed under appropriate service categories. Some accounts (line items) appear under more than one issue area. The Appendix is a Federal budget analysis for FY '88 prepared by the Governor's Office of Federal Relations.

In House 1, there are three adjustments to agency budget requests which were made in almost all accounts. These adjustments have made it difficult to compare the agency's FY '87 appropriation and FY '88 request to the House 1 recommendations. Rather than re-stating these adjustments for every account, they are described below: (1) a three percent cost-of-living adjustment (COLA) has been added for all contracts with private human services providers; (2) funds were added to cover the cost increases due to collective bargaining agreements; (3) all funds allocated to pay "03" consultants were decreased by ten percent; and (4) inflation costs were not included.

BASIC HUMAN NEEDS

DOR	1201-0160
EOCD	3000-0301
EOCD	3000-0302
EOCD	3000-0303
EOCD	3722-9001
EOCD*	3722-9018
EOCD	3722-9024
EOCD	3722-9026
EOCD	3722-9027
EOCD	3743-2036
EOCD	3743-2037
EOCD	3745-1000
DPW	4400-1003
DPW	4400-1004
DPW*	4400-1009
DPW	4400-1200
DPW*	4400-1400
DPW	4402-5000
DPW*	4402-5300
DPW	4403-2000
DPW	4406-2000
DPW	4406-3000
DPW*	4406-5000
DPW	4407-1000
DPW	4407-1010
DPW*	4407-2000
DSS*	4800-0200

*designates an account that appears in two issue areas

BASIC HUMAN NEEDS

Studies, including a recent report of the National Governor's Association, indicate that poverty among children and families has risen steadily in the 1980s due to the Reagan Administration's cutbacks in key social programs.

Massachusetts has acted to strengthen these programs in the Commonweatlh. Healthy Start is the only publicly subsidized maternity care program to serve all uninsured women in need. Massachusetts was the first state to supplement the federal Women, Infants, and Children (WIC) program. The Employment and Training Choices Program (ET) has placed 30,000 AFDC recipients in jobs.

The principal expansion in the FY '88 budget for low income families is a six percent cost-of-living adjustment for AFDC recipients. Massachusetts is currently under a court order to raise the standard of need for recipients above the federal poverty level, but that order is under appeal.

The Governor has organized several initiatives under the theme, "Bringing down the Barriers", to address the root causes of poverty. These programs are:

- the Teen Pregnancy Prevention Challenge Fund (see Child Adolescent Health and Nutrition);
- the Child Support Enforcement Program;
- the Commonwealth Futures Project (see Education);
- the Governor's Alliance Against Drugs; and
- the Literacy Corps.

Another expansion item includes $7.2M for housing subsidies for homeless families.

If the Governor's House 1 recommendations are adopted without change, the total amount of funding in this service category to be spent exclusively on children is approximately $1,744,116,686. If adults are also served under specific accounts, only the percentage of the account known to be used for children's services is represented in the total. The figure noted above will <u>not</u> equal the sum of the H. 1 appropriations for each service category.

AGENCY NAME: DEPARTMENT OF REVENUE

ACCOUNT TITLE: CHILD SUPPORT ENFORCEMENT UNIT ACCOUNT #: 1201-0160

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*                                                   *
        FY'87 AGENCY APPROPRIATION: $    -0-
              FY'88 AGENCY REQUEST: $    -0-
                            HOUSE 1: $24,740,948
*                                                   *
* * * * * * * * * * * * * * * * * * * * * * * * * * *
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AGENCY REQUEST:

NONE

HOUSE I:

While the Commonwealth's current system of child support enforcement ranks high by national standards, it suffers from a number of problems. Fragmentation of responsibility and weak enforcement powers have hampered the Department of Welfare in collecting support from absent parents. At the same time, the lack of a central point of contact for single parents not on welfare has exacerbated the problems they face in negotiating the maze of courts and procedures involved in obtaining support from the deliquent parent.

In 1986, the Legislature passed a comprehensive law designed to strenghten child support enforcement. In addition to strengthening legal enforcement powers, the Legislature gave responsibility for enforcement to the Department of Revenue (DOR), transferring the account from DPW (4400-1004 and 4400-1014) because of DOR's strong record in tax enforcement. Starting in FY '88, DOR will be responsible for representing all custodial parents in establishing child support orders, establishing paternity, locating absent parents, and providing centralized collection and enforcement services. To implement the law, DOR will be centralizing collections and extending child support services to all custodial parents, not just those receiving AFDC benefits. The department estimates that 100,000 single parents currently need, but do not receive, adequate child support services.

The Governor's budget recommendation includes a series of administrative and legislative changes which will enhance DOR's enforcement function. These include wage withholding, lien and levy powers, and other civil collection remedies. The department will also work with the courts in setting standards for adequate support. These initiatives will substantially increase existing collections.

The Department of Revenue projects that this enhanced system will generate a 50 percent increase in the amount of payments collected annually on behalf of single parents and children. As

a result of improved enforcement, 2,000 single parents who are AFDC recipients are expected to move out of poverty in FY '88. An additional 2,000 who would have needed welfare assistance are expected to remain off AFDC. Because of DOR's efforts, the Commonwealth's AFDC costs should be reduced by an additional $10 million in FY '88.

House I transfers the accounts to DOR with a 10 percent reduction in central office administration costs ($4.9M) due to planned administrative savings.

In order to implement these improvements, House I recommends a total of $36.5M in funding for DOR's child support effort. This represents an increase of more than $18M over the FY '87 appropriations. Of the total funding recommended $11.8M will come from revenue in a special fund authorized by the legislature, and $24.74M from the General Fund.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: GATEWAY CITIES PROGRAM ACCOUNT #: 3000-0301
3000-0302
3000-0303

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*                                                   *
   FY'87 AGENCY APPROPRIATION: $11,130,000
         FY'88 AGENCY REQUEST: $11,247,579
                      HOUSE 1: $   -0-
*                                                   *
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AGENCY REQUEST:

These three line items were established in FY '87, by the Senate Ways and Means Committee. The Gateway Cities Program provides grants and additional local aid to communities with substantial populations of non-English-speaking recent immigrants (26 cities and towns in Massachusetts qualify.) In FY '87, $130,000 was appropriated for administration of a new Gateway Cities Division of EOCD (3000-0301); $10 million for increased local aid to these cities (3000-0302); and $1 million for emergency services grants (3000-0303).

The agency request maintains the programs at the FY '87 level with an additional request of $117,579 for staff to administer the grants.

HOUSE 1:

The Governor's recommendation eliminates the Gateway Cities Program since needs identified by this program are expected to be met through a substantial increase in local aid for FY '88.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: NEIGHBORHOOD HOUSING SERVICES PROGRAM ACCOUNT #: 3722-9001

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   FY'87 AGENCY APPROPRIATION: $836,754
         FY'88 AGENCY REQUEST: $838,235
                     HOUSE 1: $589,368
*                                                 *
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AGENCY REQUEST:

The Neighborhood Housing Services Corporation maintains a revolving fund for loans to low and moderate income homeowners for repairs and improvements.

EOCD proposes level funding for this account.

HOUSE 1:

House I recommends an approximate decrease of $250,000 from the FY '87 funding level based on projected administrative savings. Loan repayments to the Neighborhood Housing Services Corporations (NHS) are becoming significant, reducing the need for continued state support of administrative program costs.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: SUPPORTIVE SERVICES FOR PUBLIC TENANTS ACCOUNT #: 3722-9018

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*                                                 *
   FY'87 AGENCY APPROPRIATION: $5,184,927
         FY'88 AGENCY REQUEST: $6,096,754
                     HOUSE 1: $5,349,405
*                                                 *
* * * * * * * * * * * * * * * * * * * * * * * * * *
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AGENCY REQUEST:

The Supportive Services account funds remedial education and employment and training programs for 3,000 public housing tenants. It also pays for tenant advocacy, elder services and development of day care centers in public housing developments.

The agency request maintains level funding.

HOUSE 1:

The Governor's recommendation increases the funding from the FY '87 appropriation level by approximately $150,000.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: HOUSING SUBSIDIES ACCOUNT #: 3722-9024

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*                                                 *
   FY'87 AGENCY APPROPRIATION: $67,363,820
         FY'88 AGENCY REQUEST: $88,063,719
                     HOUSE 1: $86,267,714
*                                                 *
* * * * * * * * * * * * * * * * * * * * * * * * * *
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AGENCY REQUEST:

The Housing Subsidies account funds state subsidies for low income tenants in both public and private housing. It includes state grants to local public housing authorities for family, elderly and handicapped housing, each of which was a separate line item prior to FY '86. The Chapter 707 rental assistance program is also part of this account. Chapter 707 pays private landlords the difference between fair market rent of the apartment and 25 percent of the income of the tenant household. Currently, 11,000 households receive rental assistance through Chapter 707.

Public housing subsidies in this account total $29.7M. This breaks down as follows: $19.26M for family housing, $10.4 million for elderly housing, and $67,000 for handicapped housing. Operating subsidies for special needs housing are normally paid by the agency that provides the client's other services, such as Department of Mental Health, rather than by EOCD. The small amount in this account subsidizes public housing for a small number of physically handicapped residents who do not require ongoing service from any agency. This agency request includes $1.3M in expansion (nearly $1M in family housing, the rest for the elderly) to support 1,079 units that will reach occupancy during FY '88.

The most significant increase requested in this account is in the Chapter 707 rent certificate program, which jumps from $38.7M in FY '87 to $56.6M in FY '88. This increase is based on the projected cost associated with Chapter 707 certificates already issued, but whose holders have not yet found housing. It also reflects the increasing cost of each certificate as rents in Massachusetts continue to climb.

HOUSE 1:

The Governor's recommendation includes nearly $20M over the FY '87 appropriation to support the agency request. A $1.8M request by EOCD, however, to commit 750 additional leveraged housing units is not included.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: EMERGENCY ASSISTANCE ACCOUNT #: 3722-9026

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   FY'87 AGENCY APPROPRIATION: $3,040,820
         FY'88 AGENCY REQUEST: $9,597,730
                      HOUSE 1: $6,958,900
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AGENCY REQUEST:

The Emergency Rental Assistance account was created in FY '87. This is a separate pool of Chapter 707 rental assistance certificates targeted for the homeless.

For FY '88, EOCD has requested annualized funding for the 1100 certificates whose start-up cost was funded in FY '87 plus $1.8M for 500 additional certificates.

HOUSE 1:

The Governor's recommendation increases emergency assistance funds by nearly $4M over the FY '87 appropriation. It is expected that only half of the 1100 certificates will be leased by the end of FY '87 and their cost fully annualized in FY '88. The additional 500 certificates will be leased in FY '88 at less than full-year cost.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: STATE HOUSING ASSISTANCE FOR RENTAL PRODUCTION ACCOUNT #: 3722-9027

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*                                                 *
   FY'87 AGENCY APPROPRIATION: $ 7,288,348
         FY'88 AGENCY REQUEST: $12,573,154
                      HOUSE 1: $ 9,773,154
*                                                 *
* * * * * * * * * * * * * * * * * * * * * * * * * *
```

AGENCY REQUEST:

State Housing Assistance for Rental Production (SHARP) is the Commonwealth's subsidy program for private rental housing in which 25 percent of the units built or renovated are reserved for low income households. SHARP is a 15-year loan program which reduces mortgage interest to as little as 5 percent. This makes lower rents possible across the board in SHARP-funded projects.

It also makes construction and rehabilitation projects possible in cases where costs could not be supported by market rents. Low income tenants normally require a Chapter 707 or Section 8 subsidy to make rent on a SHARP unit affordable.

Since the program began in 1984, $19.4 million in SHARP loans have been approved funding 7,579 rental units in 64 developments. Of these units, 32 percent have been rented to low income households.

HOUSE 1:

House I increases SHARP funding by approximately $2.5M over the FY '87 appropriation. House I provides funding to cover the mortgage subsidies for the 1,700 SHARP units expected to reach occupancy in FY '88. The projection for House I was revised to reflect the number of SHARP units to be completed in FY '88. House 1 funds the agency request with revisions for new projections.

House 1 also includes a $3M increase in the commitment ceiling. The increase from a $22M to a $25M authorization limit will correspond with the commitment ceiling for an unrelated program: the Homeownership Opportunity Program.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: HOUSING SERVICES ACCOUNT #: 3743-2036

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   FY'87 AGENCY APPROPRIATION: $     -0-
         FY'88 AGENCY REQUEST: $1,400,000
                      HOUSE 1: $1,400,000
*                                                   *
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AGENCY REQUEST:

The Housing Service Program was initiated in FY '85 to keep low income tenants and homeowners in their homes. To this end, the program offers workshops and counseling to tenants, landlords and homeowners about managing their properties and handling disputes. It also provides direct mediation between landlords and tenants in order to prevent eviction. The program has prevented at least 1,144 families from losing their homes.

In FY '87, the legislature consolidated this account with the state supplement to the Community Service Block Grant (3743-2037). The EOCD request returns it to a separate line item. The funding level represents an expansion of $600,000 which will allow the program to provide service across the entire state.

HOUSE 1:

House I supports the agency request.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: PROGRAM TO ALLEVIATE POVERTY ACCOUNT #: 3743-2037

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   FY'87 AGENCY APPROPRIATION: $1,250,000
         FY'88 AGENCY REQUEST: $  500,000
                       HOUSE 1: $  499,974
*                                                 *
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AGENCY REQUEST:

The Program to Alleviate the Effects of Poverty is a state supplement to federal Community Services Block Grant funds for Community Action Programs. This money is distributed based on proposals submitted by Community Action Agencies.

EOCD moved the Housing Services funding into a separate line item (3743-2036). EOCD requested level funding for the Community Action Agencies.

HOUSE 1:

The Governor's recommendation supports the agency request.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: EMERGENCY FUEL ASSISTANCE ACCOUNT #: 3745-1000

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   FY'87 AGENCY APPROPRIATION: $17,000,000
         FY'88 AGENCY REQUEST: $17,000,000
                       HOUSE 1: $17,000,000
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AGENCY REQUEST:

The state Fuel Assistance Program is intended to fill the need caused by restrictions in eligibility for federal fuel assistance and delays in federal payments. This account offers help with fuel bills, up to a maximum payment set by federal guidelines, for all households eligible for federal fuel assistance (incomes below 150 percent of the poverty index) but for which federal funds no longer exist. Since FY '86, this account has also made advance fuel assistance payments, reimbursed once the federal allocation is received. Prior to FY '86, fuel assistance advances were made from a separate line item (3743-2032).

HOUSE 1:

House I funds the FY '87 level and supports the agency request.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: MEDICAID ADMINISTRATION ACCOUNT #: 4400-1003

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        FY'87 AGENCY APPROPRIATION: $16,125,000
              FY'88 AGENCY REQUEST: $33,170,117
                            HOUSE 1: $41,579,827
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AGENCY REQUEST:

The Medicaid Administration account funds staff and support costs to operate the state's Medicaid program. Staff process bills, maintain quality control procedures, investigate fraud or abuse by providers, identify billing errors, and assure that private insurance companies assume costs when a private insurer is identified as the primary carrier.

Health Choices is funded through this account, as well as through Medicaid Basic (4402-5000) and Medicaid for the Mentally Ill and Retarded (4402-5300). The agency request reflects the transfer of the federal account for the Medicaid Management Information System funding (Medicaid computer system) and collective bargaining.

HOUSE 1:

House 1 increased this account by 150 percent over the FY '87 appropriation. The agency request is supported. In addition, expansion for a total of $9.7M is recommended for the Smart Card Program. This initiative employs an automated system at the time

of service to verify an individual's eligibility for Medicaid benefits. DPW expects to save $3.4M in FY '88 through this initiative. Other expansion includes a utilization review audit, and prior approval program and provider/recipient education.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: CHILD SUPPORT ENFORCEMENT UNIT ACCOUNT #: 4400-1004

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        FY'87 AGENCY APPROPRIATION: $7,136,821
              FY'88 AGENCY REQUEST: $   -0-
                            HOUSE 1: $   -0-
*                                                   *
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AGENCY REQUEST:

The Child Support Enforcement Unit collects payments from parents who do not live with their spouses and children. An estimated 100,000 single parents in the state need help in collecting child support payments due them. A recent change in the law requires the state to assist non-AFDC families with child support collection efforts. Although a complex system involving 69 district courts, 12 probate courts and 53 welfare offices makes collection of child support difficult, Massachusetts has the best record of all of the 12 largest welfare states in tracking down absent parents. AFDC collections have increased 25 percent since FY '83, with $50 million expected in FY '86. Because the law requires assistance to non-welfare recipients, the legislature gave responsibility for the federal child support administration funding (4400-1014) and support enforcement to the Department of Revenue (DOR) (1201-0160). DOR will be ready to take over after July 1, 1987.

HOUSE 1:

House I supports this transfer.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: VOUCHER DAY CARE ACCOUNT #: 4400-1009

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*                                                   *
        FY'87 AGENCY APPROPRIATION: $21,423,746
              FY'88 AGENCY REQUEST: $37,469,310
                            HOUSE 1: $34,866,776
*                                                   *
* * * * * * * * * * * * * * * * * * * * * * * * * * *
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AGENCY REQUEST:

The Voucher Day Care Program for AFDC recipients pays day care costs of AFDC mothers who are participating in the Department's Employment and Training (ET) Program. Most parents taking part in the ET program need day care. This support is especially crucial to the 41 percent of ET volunteers who have a child under age 6. Unsubsidized child care costs range from $3,000 to $5,000, an expense beyond AFDC parents participating in a training program, or graduating into an entry level job at an annual wage of $12,000. The average monthly caseload for FY '86 was 5,089, and is expected to rise in FY '87 to 7,750. For FY '87, the average cost per voucher slot is estimated at $3,567.

An estimated 9,800 children will require voucher day care in FY '88. DPW requested $32.35M to meet this projected increase. In addition, the agency requested more funding for voucher management. The Department also asked for $1M to initiate a Resource Development Project, which would include flexible hours for child care and child care for teen parents.

HOUSE 1:

The Governor's recommendation represents a 62 percent increase over the FY '87 appropriation. The increase includes estimated costs for 9,800 voucher slots in FY'88 ($30.05M). Other maintenance costs are also included. However, transportation costs are decreased by $130,000. Voucher management administration is funded at the FY '87 level. The House 1 recommendation for rate calculations and a cost-of-living adjustment is $902,000 less than the agency request. The Resource Development Project is not funded.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: FOOD STAMP ADMINISTRATION ACCOUNT #: 4400-1200

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*                                                 *
        FY'87 AGENCY APPROPRIATION: $11,465,861
              FY'88 AGENCY REQUEST: $16,133,505
                            HOUSE 1: $12,118,836
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AGENCY REQUEST:

This account funds the state administration of the federal Food Stamp Program. Although benefits distributed from this program are 100 percent federally funded, the administrative cost is shared equally by the federal and state governments. Federal benefits distributed by this account will total $145M in FY '87.

Food Stamps are available to any individual or family who meets certain income guidelines. Eligibility is based on a formula including assets, net and gross income.

In FY '86, an average of about 138,295 households received food stamps each month, a drop from the average figure of 143,000 in FY '85. This decline is expected to continue in FY '87 and FY '88, but at a slower rate.

Participating households include about 150,000 children. Of all recipients, 68 percent are White, 14 percent Black, 15 percent Hispanic and 3 percent Asian-American or Native American. In FY '86, 81 percent of the caseload received some form of public assistance. Although they would in most cases be eligible, not all individuals or families receiving public assistance take advantage of the food staqmp program. In FY '86, only 54 percent received food stamps. Of AFDC families, 82 percent receive food stamps, an improvement over FY '84 when only 72 percent participated. General Relief clients participate at the rate of 76 percent; SSI recipients use food stamps significantly less with only 27 percent receiving them.

A requested initiative ($4.25M) would enable the agency to disregard the $50 child support payment in calculating food stamps. When an absent parent pays at least $50 per month in child support to the state, AFDC pays the family a $50 supplement. The agency did not request funding for outreach ac tivites.

HOUSE 1:

The Governor's recommendation maintains funding at the FY '87 appropriation level with an increase for collective bargaining. House 1 does not fund the requested initiative to disregard the $50 child support payments from food stamp eligibility criteria and adjusts the account downward by $484,000 reflecting inflation and FY '87 savings.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: PROJECT GOOD HEALTH ACCOUNT #: 4400-1400

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        FY'87 AGENCY APPROPRIATION: $1,330,000
              FY'88 AGENCY REQUEST: $2,051,632
                            HOUSE 1: $1,400,495
*                                                 *
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AGENCY REQUEST:

Project Good Health is a preventive health program targeted at all Medicaid recipients under the age of 20. It provides comprehensive preventive health care and includes health and nutrition education. This account pays for the administration of Project Good Health, while the actual health services are funded through Medicaid (4402-5000). The federal government reimburses 75 percent of the administrative costs.

Families must be informed of the availability of these services within 60 days of enrollment in DPW's AFDC Program. A concerted effort has been made to expand participation in the program: in 1983, 44,375 were enrolled. The Department met its 1986 goal of enrolling 120,000 children, 40 percent of the eligible population.

In order to place a health benefits advisor in each of the local welfare offices, DPW requested 40 new social workers at a cost of $694,720.

HOUSE 1:

House I recommends that funding be continued at the FY '87 appropriation level and adds collective bargaining costs. DPW's request for 40 new staff is not funded.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: MEDICAID (BASIC) ACCOUNT #: 4402-5000

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      FY'87 AGENCY APPROPRIATION: $1,284,000,000
            FY'88 AGENCY REQUEST: $1,430,473,909
                          HOUSE 1: $1,361,000,000
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AGENCY REQUEST:

The Medical Assistance Program (Medicaid) is a state and federally funded, state-administered program which provides free

medical services to all financially and medically needy families and individuals. Payment is made immediately to the health care professionals providing the medical services.

All AFDC and SSI recipients, as well as all children in foster care, are automatically eligible for Medicaid. Furthermore, all households (except childless, employable individuals between the ages of 21 and 65) whose medical expenses bring their net income down to a specified level ($766 per month for a family of four) are also eligible as "medically needy".

Services provided in Massachusetts include all those which are required under federal law (inpatient and outpatient hospital care, skilled nursing home care, and dental and preventive care for children) as well as most "optional" services, including prescribed drugs, intermediate care nursing homes, adult dental care, mental health services, and medical transportation.

In FY '87, there has been a monthly average count of 450,600 recipients. While 65 percent are children, they account only for 25 percent of Medicaid expenditures. The average AFDC case generates about $3,200 per year in Medicaid bills.

In FY '87, the final budget divided Medicaid into 11 accounts, including Community Health Centers, Home Health Care, Acute Hospital In-Patient Care, Skilled Nursing Facility; Intermediate Care Facilities; Chronic Hospital Care; Outpatient Hospital Care; Pilot Program for Smart Card development; Pharmacy Services; Physician Services; Dental Services; Home Health Care; and Miscellaneous Costs. The DPW request retained that structure. The agency request represents the combined amounts for the 11 accounts.

The agency has requested a total of $20.8M in new funding. They include: treating disabled children at home ($4.8M), special services for the head-injured ($4.8M), a nurse practitioner/physician's assistant plan ($0.4M), and other adult services. The agency estimates $35.9M in savings.

HOUSE 1:

The Governor's recommendation increases the FY '87 appropriation by approximately $90M. Savings initiatives in FY '88 will result in $75.4M in new savings as computed in House 1. An increase in the caseload for AFDC ($2.4M) and a six percent rate increase for medicaid rates brings the House 1 total to ($1.36B).

The requested agency initiatives totalling $20.8M are not funded in House 1.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: MEDICAID FOR MENTALLY ILL AND RETARDED ACCOUNT #: 4402-5300

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        FY'87 AGENCY APPROPRIATION: $56,000,000
              FY'88 AGENCY REQUEST: $70,065,809
                            HOUSE 1: $67,300,000
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AGENCY REQUEST:

Medicaid for the Mentally Ill and Mentally Retarded pays for the following community services: Intermediate Care Facilities for the mentally retarded, day habilitation, early intervention, mental health centers, psychiatric hospital outpatient departments, and psychiatric day treatment. All of these forms of treatment are intended to encourage independence and to avoid institutional care. The community mental health centers funded in this account serve low income people. Of their patients, 35 to 40 percent are working poor, and a substantial proportion of their income comes from Medicaid.

There has been steady growth in these services in the last few years. From FY '81 to FY '87, ICF-MR's will grow from six to 39. The establishment of 22 new day habilitation programs will bring that total to 32 in FY '87. Mental health centers will number 162, up from 115 in FY '81. In FY '87, there will be 28 more psychiatric day treatment programs than in FY '81. Early intervention programs for the retarded total 43 in FY '87.

Growth in community services for the mentally retarded has come about primarily because of consent decrees agreed to in the 1970s to improve services for retarded individuals living in state schools. Community residential facilities (ICF-MR's) now represent a little less than one-quarter of this account.

The agency request includes five new day habilitation programs. An increase of 20 new community mental health centers for a total of 182 is also requested. The agency request incudes $6.7M annualization, $3.5M inflation and $1.8M non-discretionary program costs.

HOUSE 1:

The Governor's recommendation increases this account by nearly $11M over the FY '87 appropriation. House 1 supports the agency request after downward adjustments of almost $3M. The total recommendation is $5.4M annualization, $3.2M inflation and $2.2M non-discretionary expansion costs (one new ICF-MR is funded).

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: AID TO FAMILIES WITH DEPENDENT CHILDREN ACCOUNT #: 4403-2000

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        FY'87 AGENCY APPROPRIATION: $490,450,000
              FY'88 AGENCY REQUEST: $507,571,000
                            HOUSE 1: $536,788,222
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AGENCY REQUEST:

Aid to Families With Dependent Children (AFDC) provides monthly benefits to all financially eligible families with children in which one parent is absent, or for two-parent families in which the principal wage-earner has been unemployed for at least 30 days and is not receiving Unemployment Compensation. The progam is state and federally funded but state administered.

For a family of three with no other source of income, AFDC currently pays $476 per month, plus a $15 monthly rent supplement if the family lives in non-subsidized housing. The basic grant is 37 percent below the federal poverty level ($760/month). Families with some income may be eligible for partial AFDC payments and Medicaid. If a mother with two children earns no more than $881 a month, allowable deductions from her income for child care and work related expenses may allow her to receive partial benefits.

The FY '87 budget included the largest AFDC grant increase in memory, amounting to ten percent plus the $15 rent supplement for families in private housing. This was the first time a rent supplement had become a reality for recipients. Previous budgets had included rent supplements which were subject to approval for reimbursement by the federal government. Approval was granted in FY '87.

In addition to the monthly cash grant, AFDC recipients are entitled to a $150 clothing allowance per child per year, which is an increase of $25 over FY '86. If an absent parent is paying at least $50 in child support to the state, the family receives a $50 child support payment.

Also included in the AFDC account is the Emergency Assistance Program. This program pays for shelter in hotels or motels for up to 90 days. In FY '87, an estimated $34.5M will be spent on Emergency Assistance, $9.5M of that for emergency shelter.

The average caseload is now 84,510 families, a 7.5 percent decrease since FY '83. Some of this decline is from an improving economy, and some is attributable to the Employment and Training program, which has placed 30,000 parents in jobs since 1983.

According to figures from the Department of Public Welfare, the average age of an AFDC mother is 30. Only seven percent of the mothers are younger than 19 years of age. Of all AFDC families, 78 percent have one or two children, while eight percent have four or more children. Children account for 66 percent of this caseload, and 64.3 percent of these children are under age six. Fewer than one-third of the families live in the Greater Boston area. Only 30 percent live in subsidized housing. The caseload is fluid, with 4,000 entering and 4,000 leaving the program each month. The average length of stay on AFDC was 28.4 months in 1986, a decline of 29 percent from 1982. Fewer than one in five stay on AFDC for five years or more, and that percentage has declined 25 percent since 1983. AFDC recipients make up seven percent of all Massachusetts families.

HOUSE 1:

The Governor's recommendation increases this account by $46M over the FY '87 appropriation. It supports the agency request for expansion in rental vouchers, maintenance costs and adds a six percent cost-of-living allowance for AFDC recipients.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: GENERAL RELIEF ACCOUNT #: 4406-2000

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        FY'87 AGENCY APPROPRIATION: $ 84,000,000
              FY'88 AGENCY REQUEST: $ 94,240,885
                            HOUSE 1: $100,367,905
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AGENCY REQUEST:

The General Relief (GR) program is a 100 percent state-funded program which provides cash assistance and medical services to income-eligible individuals and families who are not eligible for other state or federal public assistance programs, such as SSI and AFDC.

Eligibility categories include those who are temporarily unemployable, the long-term unemployed over 45 years of age, the disabled awaiting an SSI eligibility determination, two parent families with children who fail to meet the work-history requirements for AFDC, ex-convicts, residents of half-way houses, participants in Massachusetts Rehabilitation Commission training programs, individuals who must stay at home to care for an invalid, full-time students under the age of 18 living with their unemployable parent, and unemancipated minors.

A number of changes regarding eligibility are being implemented by DPW in FY '87. These changes are expected to add 500 new cases, and increase benefits to another 1,000. Some of the changes include elimination of case closings for clients temporarily institutionalized or out of the country; revised definitions of eligibility; increase of the work-related expense deduction to $75; expansion of the list of medical report signers, and automatic Medicaid-under 21 referral. The cost is estimated at $2.6 million.

In 1982, the legislature added 18 and 19 year-old high school students who lost AFDC benefits under President Reagan's first round of budget cuts. In 1983 it lifted the residency requirement which prevented homeless people who were otherwise eligible for GR from receiving aid.

While 54 percent of all recipients are disabled, 51 percent are over age 40 and six percent are families. Families have been the fastest growing category of the GR population since the federal budget cuts of 1981. Families receive General Relief because there are two parents present with no work history (often the case with refugee families who have run out of federal refugee benefits), or have step-parent income which disqualifies them from receiving AFDC. About 63 percent of GR cases have been receiving benefits for one year or less.

The caseload for FY '86 is expected to be 25,297, up from the FY '86 level of 24,942. Benefits for similar size households are lower for GR than they are for AFDC. A family of three on AFDC receives $476; the GR family receives $431. Grants went up ten percent in FY '87. In addition, GR clients receive a $15/month rent supplement if they live in private housing. Each recipient receives an annual clothing allowance; in FY '87, the amount rose from $90 to $115.

General Relief recipients are eligible to participate in Employment and Training or rehabilitation programs. In FY '88, 600 new cases are anticipated with family participation rising almost 13 percent. The agency request reflects this increase.

HOUSE 1:

The Governor's recommendation increases this account by nearly $16M over the FY '87 appropriation. A six percent cost-of-living increase ($6.15M) and support for the agency request brings the total account to over $100M.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: HOMELESSNESS PROGRAM ACCOUNT #: 4406-3000

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        FY'87 AGENCY APPROPRIATION: $20,734,185
              FY'88 AGENCY REQUEST: $41,912,703
                            HOUSE 1: $26,037,153
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AGENCY REQUEST:

The Homelessness Program supports 50 to 75 percent of the costs of the 65 shelters operating in the state. Families and individuals in shelters are provided with food, clothing, shelter and medical care.

In FY '84, the state provided funds for 15 shelters, with a total of 907 beds. By the end of FY '87, there will be 65 shelters with 2,635 beds, some of which are open year round, and some which open only during the winter months. Families represent a growing proportion of the homeless. They now occupy 40 percent of all beds in DPW-funded shelters, 90 percent of this group are single-parent, female-headed households.

Apart from shelter costs, this account pays for Chapter 707 certificates which are administered by the Executive Office of Communities and Development ((EOCD) to provide homeless people with subsidized housing. DPW has issued 1,485 certificates in FY '87.

This account also pays for housing search and placement services performed by non-profit agencies, which in the first five months of FY '87 found permanent housing for 211 people. Other prevention activities are funded by DPW, which pays EOCD for its Housing Services program. A interagency agreement with EOCD allows DPW to control funds for their clients.

The agency request includes $18M to annualize the FY '87 Chapter 707 (subsidized housing) certificates and to add new certificates. In addition, DPW requests three new day programs ($400,000) and eight new permanent shelters.

HOUSE 1:

The Governor's recommendation increases the FY '87 appropriation by approximately $6M. An annualization request ($7M) for Chapter 707 certificates was less than the agency estimate due to a slower than anticipated start-up. This accounts for a $10M difference between the agency request and House I.

House 1 does not include any new day programs in its recommendation.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: EMPLOYMENT AND TRAINING PROGRAM ACCOUNT #: 4407-1000

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        FY'87 AGENCY APPROPRIATION: $16,525,000
              FY'88 AGENCY REQUEST: $66,886,842
                           HOUSE 1: $22,805,081
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AGENCY REQUEST:

The Employment and Training Program (ET) offers a range of services to AFDC recipients, including career assessment, basic or college education, vocational skills training, and supported work. In support of the program, the Department of Public Welfare offers voucher day care (see #4400-1009), and transportation costs of up to $10 per day.

ET is funded through a combination of federal WIN money (see 4407-9001) and state funding in this account.

Since its inception in October, 1983, ET has placed 30,000 enrollees in jobs, with an average full time hourly wage of $6.00. Of those placed, 66 percent have health insurance. (In FY 85', only 57 percent of the jobs provided health coverage, while 75 percent included health insurance in FY '86.) Of those placed, 80 percent have remained employed for at least one year. In FY '87, a floor of $5 per hour was established, on average, in the terms of the contracts with placement and training agencies. To help the newly employed make the transition to employment, the Department provides subsidized day care for one year after the date of employment. The dollar value of that care exceeds $3,000 per worker. DPW has also provided continued access to medicaid in some instances for three months after employment, and in other instances for as much as 15 months. Those who obtain jobs paying an annual wage of $10,000 or more are eligible for the shorter period of transition benefits while those with lower paying jobs qualify for a longer health benefit duration.

ET is credited for two emerging changes in the AFDC caseload. The average length of stay on AFDC has declined from 40 to 28 months, and the number of families on AFDC for more than 5 years has declined by 25 percent.

The agency requested funds to increase the program more than threefold. DPW's request for FY '88 would provide services for participants as follows: support services such as transportation (5,000 participants); transition payments (1,500 participants); follow-up services (1,500 participants); supported work (3,000 participants); skills training (10,000 participants); Job

Training Partnership Act (JTPA) (2,850 participants); Bay State Skills (740 participants); adult literacy (5,540 participants); career planning (7,000 participants); college vouchers (2,500 participants); and employee program support (183 staff).

DPW did not assume there would be any federal WIN funds (4407-9001). In addition, the Department recommended substantial increases in most of its job training programs; and include an additional $15M for skills training.

The Department earmarked $14.6M to serve special populations in FY '88 including: pregnant and parenting teens (4,200 participants); displaced homemakers (625 participants); food stamp recipents 1,000 participants); absent parents (250 participants); and an entrepreneurial program (50 participants). In all, funds requested under this account would serve over 6,275 new people in FY '88.

DPW also requested funds for new support services including transition payments of $100 per client placed in a job, to help pay for a clothing and related work expenses.

HOUSE 1:

The Governor's recommendation increases the FY '87 appropriation by $6M. House I also includes an anticipated $6M from the federal WIN program.

The Governor's FY '88 budget proposes to provide services to the following numbers of participants: support services (1,670 participants); transition payments (0 participants); follow-up services 350 participants); skills training (830 participants); JTPA (1,300 participants); Bay State Skills (355 participants); adult literacy (2,300 participants); career planning (4,800 participants); college vouchers (2,500 participants); and employee program support (97 staff). An average hourly wage of $7.50 per hour is the goal, with $5 the floor.

House I proposes to serve 300 teens and 600 displaced homemakers ($1.37M).

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: GENERAL RELIEF HEALTH PLAN ACCOUNT #: 4406-5000

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        FY'87 AGENCY APPROPRIATION: $13,440,571
              FY'88 AGENCY REQUEST: $21,159,000
                            HOUSE 1: $18,900,028
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AGENCY REQUEST:

In FY '85, Massachusetts extended medical care to General Relief recipients so that a comprehensive range of in-and-out-patient care was available. Hospital care is covered through arrangements with hospitals under Chs. 574 and 347. All hospitals must absorb the costs for GR patients, and the Department of Public Welfare pays $55 million to the hospitals to correct an error in the Medicaid reimbursement formula. Hospital compliance has not been universal, and is being monitored through the Rate Setting Commission and by an access hot line set up by DPW. Mental health services are provided through an agreement with the Department of Mental Health, for the most part without cost to this account. DPW serves the homeless through this line item. The Department has allotted $250,000 annually for four years to match a Robert Wood Johnson Foundation grant that provides health care to the homeless (Boston Health Care for the Homeless Project). Health teams have provided care at shelters, and since 1985, 2,500 have received treatment. The Johnson Foundation grant has also created a 20-bed respite unit at the Lemuel Shattuck Hospital, at which homeless people can recuperate after having been discharged from an acute care hospital.

The agency requests $15.3M for direct health care and $697,000 to pay for homeless health costs. In addition, DPW requested an initiative to fund a $1.1M expansion to Worcester and Springfield of the Robert Wood Johnson grant.

HOUSE 1:

The Governor's recommendation reflects a 40 percent increase over the FY '87 appropriation. House 1 funds the agency's FY '88 projections for direct and homeless health care but does not include the expansion funds to extend the Johnson Foundation grant.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: GENERAL RELIEF EMPLOYMENT AND TRAINING ACCOUNT #: 4407-1010

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        FY'87 AGENCY APPROPRIATION: $2,000,000
              FY'88 AGENCY REQUEST: $5,250,000
                            HOUSE 1: $2,072,000
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AGENCY REQUEST:

This account, created in December of 1984, funds a completely voluntary 100 percent state-funded Employment and Training Program (ET) for General Relief (GR) recipients. With 60 percent

of the GR caseload considered physically or mentally incapacitated, this program targets four client groups for services: families, individuals age 45 or over, ex-offenders and residents of halfway houses, homeless people, and the emotionally-disabled.

Since the program's inception, there have been 3,000 job placements. Transportation and child care services are offered as important support services.

In addition, the Massachusetts Rehabilitation Center offers work and training opportunities for the disabled, which are not included under this account. (See 4120-0031 for additional information.)

The agency request includes new funds for services and participants including: supported work for the disabled ($1.25M) to serve 500; employment security (1,200 participants); employment resources for ex-offenders (600 participants); supported work (320 participants);and educational and skills training (330 participants). Total participation in GR-ET would be 2,950 people, with 1,475 finding jobs if the agency request is funded.

HOUSE 1:

The Governor's recommendation funds the FY '87 appropriation level with an increase of $72,000 for annualization of supported work for the emotionally disturbed. Numbers of participants to be served through House 1 include: supported work for the emotionally disturbed (330 participants); employment security (600 participants); employment resources for ex-offenders (500 participants); supported work (155 participants); and education and skills training (30 participants).

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: EMPLOYMENT AND TRAINING HEALTH ACCOUNT #: 4407-2000

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        FY'87 AGENCY APPROPRIATION: $   -0-
              FY'88 AGENCY REQUEST: $4,754,000
                           HOUSE 1: $   -0-
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AGENCY REQUEST:

This is a new account proposed by DPW which would provide a guaranteed one year of health care insurance to ET graduates. Department of Public Welfare statistics show that 1,400 of those placed in jobs have no health coverage while another 8,000 have

only partial coverage through their employment. The additional medical costs in either case can be staggering to the newly employed ET graduate, because their low income makes payment of insurance premiums, deductibles or other out-of-pocket expenses extremely difficult. The cost estimates assume that totally uninsured families will receive the equivalent of $2,900 in HMO enrollment, while partially insured families will receive $660 for out-of-pocket expenses.

HOUSE 1:

House I does not support the agency request.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: OFFICE OF NUTRITIONAL SERVICES ACCOUNT #: 4513-1002

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   FY'87 AGENCY APPROPRIATION: $7,514,515
         FY'88 AGENCY REQUEST: $7,885,975
                     HOUSE 1: $7,648,670
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AGENCY REQUEST:

Three programs are included in this account: the WIC (Women, Infants and Children) Program, the Office of Nutrition, and 07 contracted services for failure-to-thrive children.

The Massachusetts WIC Program provides specific foods and nutrition counseling to pregnant, breastfeeding, and postpartum women and to children under age five who are at nutritional risk. It provides an individualized nutrition care plan for each participant, including food vouchers, nutrition education, and referrals to primary health care services. An estimated 146,158 people are eligible for WIC in Massachusetts. The WIC program will serve 68,500 participants by the end of FY '87, 47 percent of those considered eligible.

The agency request maintains the current level of programming; no expansion is included.

HOUSE 1:

House 1 reflects a $6,000 cut in 03 funds. In addition, it provides a $65,500 cost-of-living increase to service providers.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: HEALTHY START ACCOUNT #: 4513-1005

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   FY'87 AGENCY APPROPRIATION: $14,960,000**
         FY'88 AGENCY REQUEST: $20,444,823
                     HOUSE 1: $15,773,952
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**This includes a supplemental budget which allowed funds appropriated in FY '86 to be carried over and spent in FY '87.

AGENCY REQUEST:

Instituted in FY '86 to make prenatal care available to low income women with no health insurance, Healthy Start has been operational since December, 1985. Between December of 1985 and June of 1986, approximately 4,900 women enrolled. Of those, about 2,000 delivered prior to July 1st. An estimated 6,000 non-Medicaid eligible women will be enrolled in FY '87. At an average cost per case of $3,300, total costs for FY '87 are estimated at roughly $20 million.

The agency has requested funds to cover the cost of case loads projected at 6,000 and to convert 03 consultant contracts to 21 temporary 02 state positions at no additional cost.

HOUSE 1:

The House 1 increase of $800,000 over the FY '87 appropriation allows for inflation. Also reflected is a decrease of $50,000 for the rental account transfer and a $37,000 cut in 03 funds. FY '87 caseload increases costing $5 million are not funded. Conversion of some 03 consultant contracts to ten temporary 02 state positions is approved.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: REGIONAL DIRECT SERVICES ACCOUNT #: 4800-0200

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   FY'87 AGENCY APPROPRIATION: $ 81,268,359
         FY'88 AGENCY REQUEST: $102,498,377
                     HOUSE 1: $100,583,675
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AGENCY REQUEST:

With the exception of day care and respite care, this account, along with the Federal Social Services Block Grant, provides

funding for over 1,700 social workers and the bulk of other social services. Specifically, this account pays for comprehensive emergency services, case management, community residential services, counseling, family planning, foster care, homefinding, telephone hotlines, mediation, parent aides, emergency shelter and transitional living.

The agency's requested increase reflects DSS's intent to serve additional populations (e.g. adolescents, transition to independent living); and increases for cost-of-living adjustments and annualization.

HOUSE 1:

House I supported a three percent cost-of-living increase and funds for collective bargaining.

CHILD AND FAMILY SUPPORT

EOHS*	4000-0720
OFC*	4130-0005
DSS	4800-0020
DSS*	4800-0023
DSS	4800-0025
DSS	4800-0028
DSS	4800-0050
DSS*	4800-0200
DSS	4800-1040

*designates an account that appears in two issue areas

ISSUE SUMMARY

CHILD AND FAMILY SUPPORT SERVICES

Support services for a child and family often require intervention, and may take the form of out-of-home placement or in-home support services. Out-of-home placement, called substitute care, has two components. These involve placing the child in foster care, adoptive care, or another residential setting; and then re-integrating the child with the family whenever possible. In-home support, or preventive intervention, involves family counseling, homemaker services, respite care, and other similar services.

Accounts relating to substitute care are found in the Office for Children's Field Operations Program. This program is responsible for licensing all substitute care facilities and placement agencies. The following Department of Social Services (DSS) accounts provide substitute care services: Permanency Services (adoption, adoption subsidies, quardianships and foster care rate increases); New Programs Reserve (annualization of community residential services); Foster Care Review (individual case review and planning); New Chardon Street Home (temporary shelter - see also BASIC HUMAN NEEDS Section); the PPPP account, or Public Private Partnership Program (foster care, Women-In-Transition, emergency shelter); and Regional Direct Services (community residential services, foster care, emergency shelter, and transitional living). The PPPP and Regional Direct Services accounts pay for in-home support and prevention services.

Expansion in House I for Child and Family Support occurs in the Executive Office of Human Services' (EOHS) account with a Teen-age Pregnancy Challenge Grants Program ($1M). This account will provide counseling, foster care and case management to pregnant and parenting teens along with other identified needs for target communities.

If the Governor's House 1 recommendations are adopted without change, the total amount of funding in this service category to be spent exclusively on children is approximately $142,194,398. If adults are also served under specific accounts, only the percentage of the account known to be used for children's services is represented in the total. The figure noted above will <u>not</u> equal the sum of the H. 1 appropriations for each service category.

AGENCY NAME: EXECUTIVE OFFICE OF HUMAN SERVICES

ACCOUNT TITLE: TEENAGE PREGNANCY PREVENTION ACCOUNT #: 4000-0720

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   FY'87 AGENCY APPROPRIATION: $   -0-
         FY'88 AGENCY REQUEST: $   -0-
                     HOUSE 1: $1,000,000
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AGENCY REQUEST:

The Executive Office of Human Services did not request an amount for the line item.

HOUSE 1:

The initiative for this account came from the Governor's office. Teen-age pregnancy is a statewide problem. In 1985, 6,970 teens gave birth accounting for 8.5 percent of the total birth rate in Massachusetts. Communities need assistance to address the problem.

A Teen-age Pregnancy Prevention Challenge Fund of $1M has been established to reduce the number of pregnancies among teenagers. The Fund will provide an incentive to four to six communities to improve coordination of existing resources and implement comprehensive prevention and service delivery models.

AGENCY NAME: OFFICE FOR CHILDREN

ACCOUNT TITLE: FIELD OPERATIONS ACCOUNT #: 4130-0005

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   FY'87 AGENCY APPROPRIATION: $8,155,063
         FY'88 AGENCY REQUEST: $8,630,023
                     HOUSE 1: $9,025,770
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AGENCY REQUEST:

The FY '88 agency request represents annualization of the new FY '87 positions. In addition, the FY '88 request includes funding for three data entry operators to maintain the OFC's new management information system implemented in FY '87. The management information system allows the agency to establish and maintain a comprehensive information system on children's

services. OFC's FY '88 request also includes $70,000 for equipment replacement. The additional money would allow the agency to meet its most pressing equipment needs and begin an ongoing replacement program.

HOUSE 1:

The Governor's FY '88 recommendation reflects an increase of $870,707 over FY '87. It includes $303,616 for annualization of which $150,000 represents annualization of the family day care reserve. House I also provides maintenance funding of licensing, regional and area staff positions, and operation of field offices. Collective bargaining costs are funded at $719,193. Plant maintenance, and data entry positions are not funded.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: PERMANENCY SERVICES ACCOUNT #: 4800-0020

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   FY'87 AGENCY APPROPRIATION: $11,815,119
         FY'88 AGENCY REQUEST: $17,313,341
                       HOUSE 1: $15,754,899
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AGENCY REQUEST:

This account funds the administration and implementation of certain adoption services, including adoption subsidies and guardianships. DSS currently funds 7,980 children in temporary placement waiting to return to their own homes or for placement in adoptive homes. In addition to the $11,815,119 allocated in FY '87 another $2,040,355 was transferred into this account from 4800-0028 (DSS Reserve for Foster Care Rate Increase) and 4000-0770 (EOHS Reserve for Supplementary Salary Increase) to bring the total FY '87 spending allowance for this account to $13,855,474.

For FY '88, DSS requested a $3.5M increase over the actual FY '87 spending level to cover estimated annualized subsidies and a four percent cost-of-living allowance for providers.

HOUSE 1:

House 1 supports an increase of $3.9M over the original FY '87 appropriation to cover a three percent cost-of-living increase (not the requested four percent COLA, a loss of $192,000) and annualized subsidies to cover rate increases for foster parents and subsidized adoptive parents.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: NEW PROGRAMS RESERVE ACCOUNT #: 4800-0023

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   FY'87 AGENCY APPROPRIATION: $1,729,577
         FY'88 AGENCY REQUEST: $2,589,841
                       HOUSE 1: $2,148,167
*                                                 *
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AGENCY REQUEST:

This account has historically been intended by the Legislature as a reserve to be used to initiate or to continue funding for new DSS programs or projects.

For FY '88, DSS requested $600,000 in expansion funds for one new ten bed secure adolescent residential program, a four percent cost-of-living allowance for providers and a $620,000 transfer from 4800-0200 (DSS Regional Direct Services) to cover annualization of an adolescent treatment program.

HOUSE 1:

The Governor's recommendation of a $418,590 increase over FY '87 reflects a $410,000 transfer from 4800-0200 for annualized costs of the adolescent treatment program and a three percent cost-of-living allowance. The $410,000 annualization is a decrease of $210,000 needed for program funding. House 1 does not fund the requested ten bed secure residential treatment program.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: FOSTER CARE REVIEW ACCOUNT #: 4800-0025

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*                                                   *
   FY'87 AGENCY APPROPRIATION: $2,059,157
         FY'88 AGENCY REQUEST: $2,319,993
                       HOUSE 1: $2,335,018
*                                                   *
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AGENCY REQUEST:

Foster Care Review is the mechanism by which DSS conducts case reviews of all children in substitute care. These reviews are conducted by three-member panels (a staff person from the Foster Care Review Unit, a DSS employee and a volunteer). The panel evaluates the individual child's progress and makes recommendations for continued services.

DSS requested $260,836 to cover annualization and collective bargaining increases.

HOUSE 1:

House 1 recommends an increase of $275,861 over FY '87 to cover annualization and collective bargaining.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: RESERVE FOR FOSTER CARE RATE INCREASE — ACCOUNT #: 4800-0028

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   FY'87 AGENCY APPROPRIATION: $6,875,942
         FY'88 AGENCY REQUEST: $   -0-
                      HOUSE 1: $   -0-
*                                                   *
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```

AGENCY REQUEST:

In FY '87, DSS was allocated $6.9M to fund an increase in foster care, adoption and guardianship subsidies. As provided for in the language of the final budget, the money in this account was disbursed into the 4800-0020 (DSS Permanency Services) and 4800-0200 (DSS Regional Direct Services) accounts. For FY '88, DSS requested that these funds be allocated through those accounts.

HOUSE 1:

The Governor recommends funding this account through accounts 4800-0020 and 4800-0200. The recommendation includes an additional $2.3M to fully implement the rate increase.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: NEW CHARDON STREET HOME — ACCOUNT #: 4800-0050

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   FY'87 AGENCY APPROPRIATION: $587,723
         FY'88 AGENCY REQUEST: $604,993
                      HOUSE 1: $594,124
*                                                   *
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AGENCY REQUEST:

This account funds operation of the New Chardon Street Home for Women, a temporary shelter for women and their children.

The agency request reflects a four percent cost-of-living allowance (COLA) and collective bargaining increases.

HOUSE 1:

House 1 recommends a $6,401 increase to fund a three percent COLA and collective bargaining costs.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: REGIONAL DIRECT SERVICES ACCOUNT #: 4800-0200

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   FY'87 AGENCY APPROPRIATION: $ 81,268,359
         FY'88 AGENCY REQUEST: $102,498,377
                     HOUSE 1: $100,583,675
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AGENCY REQUEST:

With the exception of day care and respite care, this account, along with the Federal Social Services Block Grant, provides funding for over 1,700 social workers and the bulk of other social services. Specifically, this account pays for comprehensive emergency services, case management, community residential services, counseling, family planning, foster care, homefinding, telephone hotlines, mediation, parent aides, emergency shelter and transitional living.

The agency's requested increase reflects DSS's intent to serve additional populations (e.g. adolescents, transition to independent living); and increases for cost-of-living adjustments and annualization.

HOUSE 1:

House I supported a three percent cost-of-living increase and funds for collective bargaining.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: PUBLIC PRIVATE PARTNERSHIP PROGRAM (PPPP) ACCOUNT #: 4800-1040

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   FY'87 AGENCY APPROPRIATION: $14,297,583
         FY'88 AGENCY REQUEST: $16,141,868
                     HOUSE 1: $15,752,745
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AGENCY REQUEST:

The Public Private Partnership Program (PPPP) is DSS's mechanism for providing funds to private sector programs on condition that they "match" 25 percent of the total program cost through private means. The intent is to assist the service delivery system through public/private agreements. Some of the services funded

through this program are: counseling, day care services, Women-In-Transition (WIT), camping, parent aides, information and referral and emergency shelters. All of these are in addition to similar services funded out of the federal Social Services Block Grant (4800-0045), outlined in the appendix - Federal Budget Analysis. This block grant provides federal reimbursement for DSS social services.

DSS requested a four percent cost-of-living allowance increase for FY '88.

HOUSE 1:

House 1 recommends a $459,000 increase over FY '87. This includes a three percent cost-of-living allowance for provider programs.

DAY CARE

DCPO	1102-7884
EOCD*	3722-9018
EOHS	4000-0100
OFC	4130-0001
OFC*	4130-0005
OFC	4130-0016
DPW*	4400-1009
DSS	4800-0060
EOEA	9000-0104
DOE	7030-1000
DOE	7030-1500

*designates an account that appears in two issue areas

ISSUE SUMMARY

DAY CARE

FY '87 continued the implementation of the two-year Governor's Day Care Partnership Initiative. Massachusetts made major strides in upgrading salaries for day care staff. Wages rose 31 percent over the two year period, nearing the mid-point of the Partnership's recommended salary schedule. In addition, rate increases in supportive service slots and the continuation of day care training helped improve the quality of services. The FY '87 budget provided support for the completion of a statewide network of Child Care Resource and Referral Programs and the Corporate Child Care Program. Both programs are designed to increase the availability of day care through outreach to employers and community groups.

The Office for Children's Licensing Division saw staff increase by seven group day care and seven school-age child care licensing positions. The FY '87 budget also created a family day care reserve account to support that licensing program.

The FY '87 budget also funded additional day care slots within the Department of Social Services. These slots were targeted to teen parents and to programs established through other aspects of the Initiative.

A Day Care Affordability Pilot Project was established. A task force chaired by the Office for Children's Director recommended that a comprehensive study be conducted to characterize the affordability issue and recommend ways to make day care more affordable for the state's working families. In addition, a pilot day care scholarship program will be launched in April of 1987. Also included in the FY '87 budget were $2.8M for Headstart Programs and $8.5M for Early Childhood Incentive Grants through the Department of Education.

The Governor's budget proposal for FY '88, House 1, supports the annualization of last year's new programs and the maintenance of other day care accounts. Major expansion of the voucher day care program continued with a $7.4M increase over the expected FY '87 spending level. Other increases include a $700,000 expansion in the Department of Social Services for extended voucher slots and a $60,000 expansion in the Executive Office of Economic Affairs Corporate Child Care Program. Day care training funds were transferred to OFC and include a small increase. House I supported the development of day care facilities for state employees with a $2M recommendation for capital outlay funds in the Division of Capital Planning and Operations' budget.

If the Governor's House 1 recommendations are adopted without change, the total amount of funding in this service category to be spent exclusively on children is approximately $136,198,510. If adults are also served under specific accounts, only the percentage of the account known to be used for children's services is represented in the total. The figure noted above will <u>not</u> equal the sum of the H. 1 appropriations for each service category.

AGENCY NAME: DIVISION OF CAPITAL PLANNING & OPERATIONS

ACCOUNT TITLE: CHILD CARE (CAPITAL BUDGET) ACCOUNT #: 1102-7884

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   FY'87 AGENCY APPROPRIATION: $   N/A
         FY'88 AGENCY REQUEST: $2,000,000
                     HOUSE 1: $2,000,000
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AGENCY REQUEST:

The DCPO agency request establishes a child care pool account that will be requested annually to establish six to eight child care centers for state employees each year until every state facility which demonstrates a need and interest has a center. A prototype model center guideline was developed in FY '87 that will streamline the study process for child care renovations.

The FY '88 request will develop six to eight sites which will house 200-300 children.

HOUSE 1:

The Governor's recommendation supports the agency request.

AGENCY NAME: EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

ACCOUNT TITLE: SUPPORTIVE SERVICES FOR PUBLIC TENANTS ACCOUNT #: 3722-9018

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   FY'87 AGENCY APPROPRIATION: $5,184,927
         FY'88 AGENCY REQUEST: $6,096,754
                     HOUSE 1: $5,349,405
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AGENCY REQUEST:

The Supportive Services account funds remedial education and employment and training programs for 3,000 public housing tenants. It also pays for tenant advocacy, elder services and development of day care centers in public housing developments.

The agency request maintains level funding.

HOUSE 1:

The Governor's recommendation increases the funding from the FY '87 appropriation level by approximately $150,000.

AGENCY NAME: EXECUTIVE OFFICE OF HUMAN SERVICES

ACCOUNT TITLE: CHILD CARE POLICY UNIT ACCOUNT #: 4000-0100

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   FY'87 AGENCY APPROPRIATION: $  -0-
         FY'88 AGENCY REQUEST: $52,000
                      HOUSE 1: $  -0-
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AGENCY REQUEST:

The Executive Office of Human Services (EOHS) will assume responsibility for coordinating day care policy when the Governor's Day Care Partnership Initiative ends. EOHS requested one position to direct the Child Care Policy Unit.

HOUSE 1:

House I supports the Child Care Policy Unit at EOHS but did not fund the staff position.

AGENCY NAME: OFFICE FOR CHILDREN

ACCOUNT TITLE: OFFICE OF THE DIRECTOR ACCOUNT #: 4130-0001

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   FY'87 AGENCY APPROPRIATION: $  994,731
         FY'88 AGENCY REQUEST: $1,308,506
                      HOUSE 1: $1,620,406
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AGENCY REQUEST:

The FY '88 agency request includes annualization, expansion funding of $12,870 for a training coordinator to develop in-service training programs for OFC staff, and $15,629 for an attorney to concentrate on the special education law and serve as a resource and trainer to OFC's child welfare specialists and private attorneys who are required to advise parents and children on an increasingly complicated are of the law.

HOUSE 1:

The Governor's recommendation reflects an increase of $625,675 over FY '87. House 1 also transfers $463,818 in child care provider training money from DSS, and includes $88,737 in collective bargaining costs, and $12,660 for cost-of-living increases shifted from DSS, a well as $43,680 in annualization. The two new positions requested by the Office are not funded.

AGENCY NAME: OFFICE FOR CHILDREN

ACCOUNT TITLE: FIELD OPERATIONS ACCOUNT #: 4130-0005

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   FY'87 AGENCY APPROPRIATION: $8,155,063
         FY'88 AGENCY REQUEST: $8,630,023
                      HOUSE 1: $9,025,770
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AGENCY REQUEST:

The FY '88 agency request represents annualization of the new FY '87 positions. In addition, the FY '88 request includes funding for three data entry operators to maintain the OFC's new management information system implemented in FY '87. The management information system allows the agency to establish and maintain a comprehensive information system on children's services. OFC's FY '88 request also includes $70,000 for equipment replacement. The additional money would allow the agency to meet its most pressing equipment needs and begin an ongoing replacement program.

HOUSE 1:

The Governor's FY '88 recommendation reflects an increase of $870,707 over FY '87. It includes $303,616 for annualization of which $150,000 represents annualization of the family day care reserve. House I also provides maintenance funding of licensing, regional and area staff positions, and operation of field offices. Collective bargaining costs are funded at $719,193. Plant maintenance, and data entry positions are not funded.

AGENCY NAME: OFFICE FOR CHILDREN

ACCOUNT TITLE: CHILD CARE RESOURCE & REFERRAL ACCOUNT #: 4130-0016

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   FY'87 AGENCY APPROPRIATION: $1,216,475
         FY'88 AGENCY REQUEST: $2,001,070
                      HOUSE 1: $1,844,238
*                                                   *
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AGENCY REQUEST:

FY '87 budget allowed the agency to expand its Child Care Resource and Referral (CCR&R) services statewide. To complete

this statewide network, six CCR&R agencies were funded during the last half of FY '87 creating a total of 12 throughout Massachusetts.

OFC's FY '88 budget request annualizes the cost of these twelve programs, and provides funding for satellite offices and specialized program-specific needs.

HOUSE 1:

The Governor's recommendation is an increase of $627,763 over FY '87, and allows for annualization and maintenance funding of the 12 Child Care Resource and Referral Agencies. H. 1 does not include $200,000 for satellite offices and program-specific needs.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: VOUCHER DAY CARE ACCOUNT #: 4400-1009

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      FY'87 AGENCY APPROPRIATION: $21,423,746
            FY'88 AGENCY REQUEST: $37,469,310
                         HOUSE 1: $34,866,776
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AGENCY REQUEST:

The Voucher Day Care Program for AFDC recipients pays day care costs of AFDC mothers who are participating in the Department's Employment and Training (ET) Program. Most parents taking part in the ET program need day care. This support is especially crucial to the 41 percent of ET volunteers who have a child under age 6. Unsubsidized child care costs range from $3,000 to $5,000, an expense beyond AFDC parents participating in a training program, or graduating into an entry level job at an annual wage of $12,000. The average monthly caseload for FY '86 was 5,089, and is expected to rise in FY '87 to 7,750. For FY '87, the average cost per voucher slot is estimated at $3,567.

An estimated 9,800 children will require voucher day care in FY '88. DPW requested $32.35M to meet this projected increase. In addition, the agency requested more funding for voucher management. The Department also asked for $1M to initiate a Resource Development Project, which would include flexible hours for child care and child care for teen parents.

HOUSE 1:

The Governor's recommendation represents a 62 percent increase over the FY '87 appropriation. The increase includes estimated costs for 9,800 voucher slots in FY'88 ($30.05M). Other maintenance costs are also included. However, transportation costs are decreased by $130,000. Voucher management administration is funded at the FY '87 level. The House 1 recommendation for rate calculations and a cost-of-living adjustment is $902,000 less than the agency request. The Resource Development Project is not funded.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: DAY CARE ACCOUNT #: 4800-0060

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*                                                   *
   FY'87 AGENCY APPROPRIATION: $67,804,975
         FY'88 AGENCY REQUEST: $78,567,693
                      HOUSE 1: $76,580,320
*                                                   *
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AGENCY REQUEST:

This account provides state-supported day care services including 13,660 day care subsidies to low-income working parents and 4,080 protective day care slots for children at risk of abuse or neglect. In addition to the $67.8M allocated in last year's budget for FY '87, the account received a transfer of $3,683,891 from 4000-0770 (EOHS Reserve for Supplementary Salary Increases), bringing the total spending allowance to $71,488,866. This "parity money" was used to implement a 31 percent salary increase for day care employees. The agency requested 325 new slots (100 supportive, 100 income eligible, 100 teen parent, and 25 new Chardon Street Home) and a four percent cost-of-living adjustment.

HOUSE 1:

House I recommends an $8.75M increase over the FY '87 allocation. This increase includes the above-mentioned $3.7M in parity funds, $1.4M for annualization of FY '87 slots; $1.2M from 1599-3524 (Department of Revenue Reserve for the Implementation of Chapter 761)*; $.7M in expansion for 220 extended day care vouchers; and a three percent cost-of-living adjustment ($800,000 decrease from agency request). $422,000 in day care training program funds was transferred from this account to 4130-0001 (OFC Central Administration). House 1 allowed for 325 new day care slots to be absorbed in the base budget without new funding.

* Note: Chapter 761 allows contracted agencies to exclude consideration of certain philanthropic contributions when their reimbursement rates are set. Faced with the resulting increased rates, DSS absorbed the difference in order to maintain existing levels of service. In FY '87, the Department of Revenue created a reserve account to cover such shortfalls. Monies can be transferred according to need. Although DSS requested funding to cover the FY '87 shortfall, funds obtained through the reserve did not equal costs incurred.

AGENCY NAME: EXECUTIVE OFFICE OF ECONIMIC AFFAIRS

ACCOUNT TITLE: CORPORATE CHILD CARE ACCOUNT #: 9000-0104

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   FY'87 AGENCY APPROPRIATION: $*40,000
         FY'88 AGENCY REQUEST: $100,000
                     HOUSE 1: $100,000
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*Transferred from 4130-0016, OFC CCR&R Account

AGENCY REQUEST:

The Executive Office of Economic Affairs (EOEA) requested an increase in its Corporate Child Care Program. In FY '86, $40,000 was transferred to EOEA from the Office for Children's Child Care Resource & Referral Program to fund the Corporate Child Care Program. Over the last years, the program has provided 200 companies with technical assistance and over 90 of these companies have established employee child care programs.

The increase will allow the program to expand its services to more employers.

HOUSE 1:

House 1 supports the agency request.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: EARLY CHILDHOOD EDUCATION ACCOUNT #: 7030-1000

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        FY'87 AGENCY APPROPRIATION: $ 8,500,000
              FY'88 AGENCY REQUEST: $18,672,698
                          HOUSE 1: $10,200,000
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AGENCY REQUEST:

Under Chapter 188, the Department awards grants to cities and towns for the development of pre-school, enhanced kindergardens and transitional first grade programs, as well as combined day care and early education programs. Seventy-five percent of the funds are allotted to low income communities. In FY '87, 188 grants were awarded to 140 communities, of this amount 123 are planning grants and 65 are program development grants. The department requested an additional $10,172,698 to increase the amount of funds available for new programs in FY '88 and create an Early Childhood Division within the Department. This Division would administer the grants and provide ongoing technical assistance to local schools at a cost of $69,264.

HOUSE 1:

The House 1 increase of $1.7M supports the maintenance of 111 programs funded in FY '87. It does not allow for full implementation of the 123 planning grants awarded this year. No new staff positions are included in House 1.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: HEAD START PROGRAMS ACCOUNT #: 7030-1500

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        FY'87 AGENCY APPROPRIATION: $2,800,000
              FY'88 AGENCY REQUEST: $2,800,000
                            HOUSE 1: $2,800,000
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AGENCY REQUEST:

Used to provide pre-school educational readiness programs, these funds are targeted to low income communities which meet federal guidelines. The state supplements federal funds and covers staff salaries.

HOUSE 1:

House 1 supports the FY '87 appropriation.

HEALTH

EOHS*	4000-0720
DPW*	4400-1400
DPW*	4406-5000
DPW*	4407-2000
DPH	4510-0102
DPH	4510-0103
DPH	4510-0110
DPH	4510-0600
DPH	4510-0710
DPH	4512-0103
DPH	4512-0200
DPH	4513-0200
DPH	4512-0500
DPH	4512-0550
DPH	4513-1000
DPH	4513-1002
DPH	4513-1005
DPH	4513-1006
DPH	4516-1000
DPH	4540-0001
DSS*	4800-0200
DOE*	7032-0500

*designates an account that appears in two areas

ISSUE SUMMARY

CHILD ADOLESCENT HEALTH

Providing for the health and nutritional needs of children and adolescents from birth through age 21 continues to be a strong area of concern and commitment for the Commonwealth. Responding to research indicating serious gaps in adolescent and prenatal health care, widespread substance abuse especially among high school youth, and an increase in Massachusetts' infant mortality rate, human services and educational agencies are coordinating efforts to:

- provide comprehensive health care and reduce infant mortality,
- prevent and treat substance abuse through education and early intervention, and
- plan and implement comprehensive prevention programs and service delivery to pregnant and parenting teenagers.

Comprehensive Health Care

The Department of Public Welfare (DPW) concentrates its efforts on improving preventive health care and nutritional services to eligible low income families and children. Project Good Health, Medicaid, Health Choices, and expanded services to multiply handicapped children are some of the services funded by DPW.

The Department of Public Health's (DPH) mission is to protect the public from communicable and environmental diseases and to deliver direct health care services. Among the many programs administered by DPH are the childhood lead poisoning prevention program, testing and treatment for AIDS, childhood immunization, newborn screening programs, prenatal care through Healthy Start, services to high risk children and families, and the WIC (Women, Infant and Children) program.

School-based comprehensive health education and services through the Department of Education (DOE) are coordinated with the Departments of Social Services and Public Health. Comprehensive health care to children in the custody of the Department of Social Services is coordinated through a Project Good Health medical passport program.

Substance Abuse

In conjunction with the Governor's Alliance Against Drugs, DPH's Divisions of Alcoholism and Drug Rehabilitation manage federal and state funds to provide prevention related training to community agencies and school systems. These divisions also fund community-based outpatient and residential treatment for adolescent substance abusers.

DOE administers incentive grants for substance abuse education under its School Based Health Education Program.

Services to Pregnant and Parenting Teen

Programs aimed at preventing teen-age pregnancy and providing a wide range of services to young parents are found in many departments. The Executive Office of Human Services (EOHS) plans to provide incentives to communities to improve resource coordination and develop new prevention and service models through its new Teen-age Pregnancy Prevention Challenge Fund.

The Department of Social Services provides over one-third of its family-planning services to teen-agers. Services to young parents include specialized foster care, outreach, prevention, counseling, vocational education, and subsidized day care as well as the full range of other DSS services (emergency shelter, babysitting, and other support services).

Within DPH, services include case management, health education, family planning, services to high risk children and families, direct health care, teen tot clinics, home visits, and early intervention services. The Healthy Start Program estimates that 35 percent of its caseload will be pregnant teens. Neighborhood health clinics and the WIC (Women, Infants and Children) Program also serve these young families.

Summary of FY '88 Initiatives

House I supports programs started in previous years and funds new health care initiatives through state and federal funds. Highlights include:

- $1,000,000 in expansion for prevention and treatment of AIDS including additional funds for residential services for children with AIDS;

- replacement of federal funding for prenatal and pediatric services cut from the Maternal and Child Health Block Grant;

- $800,000 in additional funding (over FY '87 appropriation) for Healthy Start;

- $1,000,000 in new federal funding for additional services for prevention and treatment of adolescent substance abuse ($300,000 for expanded youth residential services; $700,000 for prevention, youth intervention and outreach);

- $1,000,000 for establishment of a new Teen-age Pregnancy Prevention Challenge Fund at EOHS to be built into agency base budgets in FY '89;

- 100 new day care slots for children of teen parents; and

- new grants for comprehensive school-based health education programs.

If the Governor's House 1 recommendations are adopted without change, the total amount of funding in this service category to be spent exclusively on children is approximately $198,613,452. If adults are also served under specific accounts, only the percentage of the account known to be used for children's services is represented in the total. The figure noted above will <u>not</u> equal the sum of the H. 1 appropriations for each service category.

AGENCY NAME: EXECUTIVE OFFICE OF HUMAN SERVICES

ACCOUNT TITLE: TEENAGE PREGNANCY PREVENTION ACCOUNT #: 4000-0720

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   FY'87 AGENCY APPROPRIATION: $   -0-
         FY`88 AGENCY REQUEST: $   -0-
                      HOUSE 1: $1,000,000
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AGENCY REQUEST:

The Executive Office of Human Services did not request an amount for the line item.

HOUSE 1:

The initiative for this account came from the Governor's office. Teen-age pregnancy is a statewide problem. In 1985, 6,970 teens gave birth accounting for 8.5 percent of the total birth rate in Massachusetts. Communities need assistance to address the problem.

A Teen-age Pregnancy Prevention Challenge Fund of $1M has been established to reduce the number of pregnancies among teenagers. The Fund will provide an incentive to four to six communities to improve coordination of existing resources and implement comprehensive prevention and service delivery models.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: PROJECT GOOD HEALTH ACCOUNT #: 4400-1400

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        FY'87 AGENCY APPROPRIATION: $1,330,000
              FY`88 AGENCY REQUEST: $2,051,632
                           HOUSE 1: $1,400,495
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AGENCY REQUEST:

Project Good Health is a preventive health program targeted at all Medicaid recipients under the age of 20. It provides comprehensive preventive health care and includes health and nutrition education. This account pays for the administration of Project Good Health, while the actual health services are funded through Medicaid (4402-5000). The federal government reimburses 75 percent of the administrative costs.

Families must be informed of the availability of these services within 60 days of enrollment in DPW's AFDC Program. A concerted effort has been made to expand participation in the program: in 1983, 44,375 were enrolled. The Department met its 1986 goal of enrolling 120,000 children, 40 percent of the eligible population.

In order to place a health benefits advisor in each of the local welfare offices, DPW requested 40 new social workers at a cost of $694,720.

HOUSE 1:

House I recommends that funding be continued at the FY '87 appropriation level and adds collective bargaining costs. DPW's request for 40 new staff is not funded.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: GENERAL RELIEF HEALTH PLAN ACCOUNT #: 4406-5000

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        FY'87 AGENCY APPROPRIATION: $13,440,571
              FY'88 AGENCY REQUEST: $21,159,000
                            HOUSE 1: $18,900,028
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AGENCY REQUEST:

In FY '85, Massachusetts extended medical care to General Relief recipients so that a comprehensive range of in-and-out-patient care was available. Hospital care is covered through arrangements with hospitals under Chs. 574 and 347. All hospitals must absorb the costs for GR patients, and the Department of Public Welfare pays $55 million to the hospitals to correct an error in the Medicaid reimbursement formula. Hospital compliance has not been universal, and is being monitored through the Rate Setting Commission and by an access hot line set up by DPW. Mental health services are provided through an agreement with the Department of Mental Health, for the most part without cost to this account. DPW serves the homeless through this line item. The Department has allotted $250,000 annually for four years to match a Robert Wood Johnson Foundation grant that provides health care to the homeless (Boston Health Care for the Homeless Project). Health teams have provided care at shelters, and since 1985, 2,500 have received treatment. The Johnson Foundation grant has also created a 20-bed respite unit at the Lemuel Shattuck Hospital, at which homeless people can recuperate after having been discharged from an acute care hospital.

The agency requests $15.3M for direct health care and $697,000 to pay for homeless health costs. In addition, DPW requested an initiative to fund a $1.1M expansion to Worcester and Springfield of the Robert Wood Johnson grant.

HOUSE 1:

The Governor's recommendation reflects a 40 percent increase over the FY '87 appropriation. House 1 funds the agency's FY '88 projections for direct and homeless health care but does not include the expansion funds to extend the Johnson Foundation grant.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: EMPLOYMENT AND TRAINING HEALTH ACCOUNT #: 4407-2000

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        FY'87 AGENCY APPROPRIATION: $   -0-
              FY'88 AGENCY REQUEST: $4,754,000
                           HOUSE 1: $   -0-
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AGENCY REQUEST:

This is a new account proposed by DPW which would provide a guaranteed one year of health care insurance to ET graduates. Department of Public Welfare statistics show that 1,400 of those placed in jobs have no health coverage while another 8,000 have only partial coverage through their employment. The additional medical costs in either case can be staggering to the newly employed ET graduate, because their low income makes payment of insurance premiums, deductibles or other out-of-pocket expenses extremely difficult. The cost estimates assume that totally uninsured families will receive the equivalent of $2,900 in HMO enrollment, while partially insured families will receive $660 for out-of-pocket expenses.

HOUSE 1:

House I does not support the agency request.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: ENVIRONMENTAL EPIDEMIOLOGY AND TOXICOLOGY ACCOUNT #: 4510-0102

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   FY'87 AGENCY APPROPRIATION: $675,000
         FY'88 AGENCY REQUEST: $669,558
                      HOUSE 1: $637,259
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AGENCY REQUEST:

The Division of Environmental Epidemiology and Toxicology is responsible for assessing the potential health effects of environmental contaminants. Data on air pollution, water pollution, toxic hazards, pesticide usage and location of hazardous industries is correlated with birth, death, congenital abnormality and hospitalization data. Consultation and public education, are key responsibilities of the division.

DPH expects to reduce costs by converting 03 consultants performing staff functions to 02 temporary state positions.

HOUSE 1:

In addition to savings projected by DPH, House 1 reflects a 10 percent cut in 03 funding ($24,433), and a $17,900 reduction for rent now included in an agency wide administrative account. House I also includes a $29,000 collective bargaining increase. The conversion of 03 contracts to six 02 temporary state positions is approved.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: HEALTH PROMOTION ACCOUNT #: 4510-0103

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   FY'87 AGENCY APPROPRIATION: $603,586
         FY'88 AGENCY REQUEST: $845,850
                      HOUSE 1: $645,592
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AGENCY REQUEST:

The Division of Health Promotion (DHP) conducts activities aimed at preventing heart disease, cancer and stroke. DHP activities include school health education programs which focus on cigarette smoking, proper nutrition and physical fitness. Funds are requested to maintain FY '87 initiatives, convert costs incurred

for 03 consultants performing staff functions into two 02 temporary state positions, and restore $56,955 cut from the Preventive Health and Health Servicefederal block grant. These funds would prevent the closing of two to three high blood pressure screening programs previously funded through the federal block grant.

HOUSE 1:

House 1 recommends an increase of $45,006 over the FY '87 appropriation. House 1 does not fully fund maintenance of FY '87 programs. Although cost-of-living increases for 07 contracts and collective bargaining increases are included, House 1 cuts 03 funds by $4,500 and does not absorb federal funding cuts. The conversion of 03 contracts into two 02 temporary state positions is approved.

In an initiative aimed at the failure of federal occupational health and safety activities to effectively address the special occupational health issues of women, House I earmarks $200,000 of existing DPH health promotion funding for education and research on occupational health hazards for women. These hazards include reproductive health issues and health hazards for health care workers and clerical workers.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: COMMUNITY HEALTH CENTERS ACCOUNT #: 4510-0110

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   FY'87 AGENCY APPROPRIATION: $1,630,279
         FY'88 AGENCY REQUEST: $1,658,071
                       HOUSE 1: $1,505,171
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AGENCY REQUEST:

Grants of up to $25,000 are awarded to community health centers to provide specific services: obstetrics and gynecology, dental care, primary care, pediatric and adolescent services, and social services.

Thirty-eight (38) community health centers were funded in FY '87. Funds are requested to maintain the previous level of programming and convert 03 consultant services to two 02 temporary state positions, at no additional costs.

HOUSE 1:

House 1 reflects a change in base funding from FY '87 of approximately $180,000 for computer and data processing equipment considered one time costs. A $38,800 cost-of-living increase in included; while cuts of $3,700 occur in 03 funds. The conversion of consultant contracts to two 02 temporary state positions is approved.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: ENVIRONMENTAL HEALTH ACCOUNT #: 4510-0600

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   FY'87 AGENCY APPROPRIATION: $3,050,000
         FY'88 AGENCY REQUEST: $3,138,886
                       HOUSE 1: $3,216,372
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AGENCY REQUEST:

The Environmental Health Program works with local, state and federal agencies to monitor environmental hazards including lead paint poisoning and their impact on health.

Funds are requested to maintain existing programs and convert 03 consultant contracts to 02 temporary state positions, a $10,000 savings.

HOUSE 1:

House 1 recommends an increase of $166,372 over the FY '87 appropriation. House 1 includes a $204,000 increase for collective bargaining costs, as well as a reduction of $28,000 for the rental account transfer and a $22,038 cut in 03 funds. The conversion of consultant contracts to 6.5 temporary 02 state positions is approved.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: HEALTH CARE QUALITY ACCOUNT #: 4510-0710

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   FY'87 AGENCY APPROPRIATION: $4,363,697
         FY'88 AGENCY REQUEST: $4,523,958
                       HOUSE 1: $4,562,970
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AGENCY REQUEST:

The Division of Health Care Quality monitors the quality of patient care provided by the Commonwealth's health care facilities: nursing homes, rest homes, clinical laboratories clinics, institutions for the mentally retarded and mentally ill, hospitals, infirmaries and ambulance services. A patient advocacy office ensures access to health service for uninsured and underinsured patients. DPH requested $95,188 to enable the Division to continue monitoring the quality of patient care through state and federal medicaid certification activities following a $154,000 FY '86 federal funding cut.

HOUSE 1:

House 1 recommends an increase of $199,273 over the FY '87 appropriation. It also reflects a $219,000 increase for collective bargaining costs and a $8,700 reduction in 03 funds. Federal funding cuts are not absorbed. Without these funds the Division of Health Care Quality will be unable to license, survey, and certify Massachusetts health care facilities in a timely manner.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: AIDS ACCOUNT #: 4512-0103

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   FY'87 AGENCY APPROPRIATION: $4,073,514
         FY'88 AGENCY REQUEST: $6,745,874
                     HOUSE 1: $5,471,753
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AGENCY REQUEST:

The AIDS (Acquired Immune Deficiency Syndrome) Program supports research, testing and counseling services, public education activities, community health and home care services, treatment for patients in need of long term care, and efforts to prevent the spread of the disease among high risk populations.

Funds are requested to maintain programs begun last year, convert some 03 consultant contracts representing permanent Department activities to ten 02 temporary state positions, and significantly expand revention and treatment services.

DPH's FY '88 agency request included $2,000,000m expansion initiatives:

- $400,000 to expand home and hospice care including home health aides and skilled nursing services;

- $300,000 to prevent the spread of AIDS through community-based AIDS education and outreach targeted at high risk groups, education and training for primary care physicians in the community, and outreach to the general population through the workplace;

- $150,000 to develop an intensive community education and outreach program targeted specifically at women who are at risk for infection with the AIDS virus;

- $200,000 for expansion of the residential care program for children with AIDS at Boston City Hospital;

- $150,000 for two supportive residential care programs (one in Western Massachusetts, one in Greater Boston) for people with AIDS who cannot live independently or who are homeless; and

- $800,000 to expand AIDS education and drug treatment to drug users who are at high risk of contracting and spreading the AIDS virus.

  The goals of this initiative are 1) increasing the availability of methodone maintenance service for needle-using drug abusers; 2) increasing the availability of drug-free treatments for needle users; 3) reaching drug users who are not in treatment to both bring them into treatment and educate them to the risk of AIDS.

HOUSE 1:

House I recommends an increase of $1,398,239 over the FY '87 appropriation which includes $16,000 for collective bargaining costs and $44,000 for a cost-of-living increase for services providers.

In response to the increasing number of cases and the rising costs of health care for AIDS victims, House I funds $1,000,000 in program expansion funds to prevent and treat of AIDS.

- $300,000 for home health and hospice care;

- $150,000 for community based education and outreach to physicians and the workplace;

- $75,000 for education and outreach targeting women at risk;

- $100,000 for expansion of the residential care program for children with AIDS at Boston City Hospital;

- $75,000 for supportive residential care for homeless adult AIDS victims; and

- $300,000 (6 month funding) to expand education and drug treatment to addicts.

The conversion of 03 consultant contracts to ten temporary 02 state positions is approved. House I aslo includes decreases of $22,550 for rental account transfer and a $114,000 cut in 03 non-medical funds.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: ALCOHOLISM ACCOUNT #: 4512-0200

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   FY'87 AGENCY APPROPRIATION: $26,934,660
         FY'88 AGENCY REQUEST: $27,709,237
                     HOUSE 1: $28,359,840
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ACCOUNT TITLE: DRUG REHABILITATION ACCOUNT #: 4513-0200

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   FY'87 AGENCY APPROPRIATION: $8,143,762
         FY'88 AGENCY REQUEST: $9,474,493
                     HOUSE 1: $8,577,401
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AGENCY REQUEST:

Although funded through two separate accounts, the Divisions of Alcoholism and Drug Rehabilitation are functionally combined. Youth services accounted for approximately $5.5 million of the combined FY'87 funds. The maintenance estimate for youth is $7.0 million or approximately 20 percent of the FY'88 request. Established youth drug and alcoholism services include:

- eight residential treatment programs

- eight primary prevention centers

- funding for youth seen in adult drug and alcohol programs

The FY '88 maintenance request includes a new program model which uses existing funds to target high risk youth who are not in school. Expansion funds of $225,000 are requested in the Drug Rehabilitation account for a new youth residential aftercare program. This project is expected to provide 6,205 bed days annually for an estimated 68 young people who have completed the youth residential treatment programs, but still need a supportive drug free environment and are unable to return home.

Other expansion funds are for adult services and include $375,000 (Alcoholism account) for a long-term residential program for severely impaired substance abusers: $800,000 (Drug Rehabilitation account) for intensive emergency detoxification services to seriously impaired suicidal, dual addicted, or mentally ill individuals; and $100,000 (Drug Rehabilitation account) to serve substance abusing handicapped individuals.

HOUSE 1:

House 1 funds expansion of adult alcoholism and drug rehabilitation services through the creation of four 20-bed long term residential programs or "sober houses" for seventy impaired substance abusers. However, the new youth residential aftercare program is not included.

The H. 1 recommendation for Alcoholism (4512-0200) is an increase of $1,425,180 over the FY '87 appropriation. It reflects a $795,000 cost-of-living increase for 07 service providers and $48,000 to cover collective bargaining costs, as well as a $2,000 cut in 03 funds.

In H. I, the Drug Rehabilitation (4513-0200) recommendation represents an increase of $436,639 over FY '87 appropriation and includes a $242,000 cost-of-living increase and a $2,000 cut in 03 funds. Existing funds are earmarked for a residential drug treatment program for adolescents begun in FY '87. New federal funds will be used to expand drug and alcoholism services. Projected at $4M to be spent over a two year period; $1M is targeted for expansion of services to adolescents: $300,000 for residential services and $700,000 for prevention, youth intervention and outreach.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: DENTAL HEALTH ACCOUNT #: 4512-0500

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   FY'87 AGENCY APPROPRIATION: $2,542,000
         FY'88 AGENCY REQUEST: $2,741,549
                      HOUSE 1: $2,559,431
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AGENCY REQUEST:

The Division of Dental Health is supported by both federal and state funds. Dental services are provided to developmentally disabled children in state schools and in the community as well as to Department of Youth Services clients living in secure facilities. The division also operates a fluoride rinse program for children. Funds are requested to continue existing programs and to convert 03 consultant contracts carrying out Department functions to one 02 state program coordinator position.

HOUSE 1: While maintaining the FY '87 level of service, House 1 reflects a $3,800 cut in 03 contracts and a decrease of $11,500 for the rental account transfer. H. I also includes a cost-of-living increase of $8,000 for service providers. The conversion of consultant contracts to one temporary 02 state position is approved.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: FLUORIDATION ASSISTANCE ACCOUNT #: 4512-0550

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   FY'87 AGENCY APPROPRIATION: $106,678
         FY'88 AGENCY REQUEST: $106,678
                       HOUSE 1: $106,678
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AGENCY REQUEST:

Through this account, cities and towns are partially reimbursed for the cost of fluoridating their water. No additional funds were requested.

HOUSE 1:

House 1 funds the agency request.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: FAMILY HEALTH SERVICES ACCOUNT #: 4513-1000

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   FY'87 AGENCY APPROPRIATION: $19,191,690
         FY'88 AGENCY REQUEST: $20,068,517
                       HOUSE 1: $20,001,007
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AGENCY REQUEST:

This account funds the majority of programs within the Department's Division of Family Health Services including the Services for Handicapped Children (SHC), and Maternal and Child Health (MCH) Programs. These programs are funded by federal block grants and state funding initiatives.

The SHC Program provides therapeutic and preventive services to handicapped children and their families in an integrated and coordinated fashion through six regional and five non-regional clinics, a regionally based case management services unit and a community services unit. Community services include the Medical Review Team, in-home health care, camperships, pediatric nursing homes, adaptive housing services and three community-based residential programs for multiply handicapped children. The Early Childhood Development Unit provides early intervention programs, developmental day, and integrated preschool programs.

The MCH Program focuses on preventing health problems and providing primary health care services to low income mothers, children and adolescents. These services include prenatal programs, preschool and school health programs, and prevention programs (poison control, lead poisoning prevention, childhood injury prevention, women's health and primary care, prenatal and pediatric primary care; adolescent health, pregnancy and parenting program; primary care information and health education programs).

The FY '88 agency budget requested the following funds:

- continuation of FY '87 expansion of residential and home-based services to multiply handicapped children, and the poison control hot-line;
- conversion of 03 consultant contracts to 22 temporary 02 state positions at no increase in cost; and
- replacement of federal funding for pediatric and prenatal services cut from the Maternal and Child Health Block grant at a cost of $394,668.

HOUSE 1:

House 1 annualizes the three community-based residential programs for 12 multiply handicapped children started during FY '87 ($300,000), deletes the request to cover federal budget cuts ($394,668), and includes a $430,000 cost-of-living increase to service providers. An additional $236,900 for collective bargaining costs is included. Funds for the conversion of consultant contracts to 22 temporary 02 state positions are also included.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: OFFICE OF NUTRITIONAL SERVICES ACCOUNT #: 4513-1002

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   FY'87 AGENCY APPROPRIATION: $7,514,515
         FY'88 AGENCY REQUEST: $7,885,975
                      HOUSE 1: $7,648,670
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AGENCY REQUEST:

Three programs are included in this account: the WIC (Women, Infants and Children) Program, the Office of Nutrition, and 07 contracted services for failure-to-thrive children.

The Massachusetts WIC Program provides specific foods and nutrition counseling to pregnant, breastfeeding, and postpartum women and to children under age five who are at nutritional risk. It provides an individualized nutrition care plan for each participant, including food vouchers, nutrition education, and referrals to primary health care services. An estimated 146,158 people are eligible for WIC in Massachusetts. The WIC program will serve 68,500 participants by the end of FY '87, 47 percent of those considered eligible.

The agency request maintains the current level of programming; no expansion is included.

HOUSE 1:

House 1 reflects a $6,000 cut in 03 funds. In addition, it provides a $65,500 cost-of-living increase to service providers.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: HEALTHY START ACCOUNT #: 4513-1005

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   FY'87 AGENCY APPROPRIATION: $14,960,000**
         FY'88 AGENCY REQUEST: $20,444,823
                      HOUSE 1: $15,773,952
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**This includes a supplemental budget which allowed funds appropriated in FY '86 to be carried over and spent in FY '87.

AGENCY REQUEST:

Instituted in FY '86 to make prenatal care available to low income women with no health insurance, Healthy Start has been operational since December, 1985. Between December of 1985 and June of 1986, approximately 4,900 women enrolled. Of those, about 2,000 delivered prior to July 1st. An estimated 6,000 non-Medicaid eligible women will be enrolled in FY '87. At an average cost per case of $3,300, total costs for FY '87 are estimated at roughly $20 million.

The agency has requested funds to cover the cost of case loads projected at 6,000 and to convert 03 consultant contracts to 21 temporary 02 state positions at no additional cost.

HOUSE 1:

The House 1 increase of $800,000 over the FY '87 appropriation allows for inflation. Also reflected is a decrease of $50,000 for the rental account transfer and a $37,000 cut in 03 funds. FY '87 caseload increases costing $5 million are not funded. Conversion of some 03 consultant contracts to ten temporary 02 state positions is approved.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: PEDIATRIC HOSPICE ACCOUNT #: 4513-1006

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   FY'87 AGENCY APPROPRIATION: $25,000.00
         FY'88 AGENCY REQUEST: $25,000.00
                      HOUSE 1: $25,000.00
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AGENCY REQUEST:

Created in the outside language of the FY '87 state budget, these funds are allocated to plan and run a pediatric hospice as an adjunct to an existing adult hospice in Boston. No additional funds are requested.

HOUSE 1:

House 1 supports the agency request.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: LABORATORY AND COMMUNICABLE DISEASE CONTROL ACCOUNT #: 4516-1000

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   FY'87 AGENCY APPROPRIATION: $14,693,838
         FY'88 AGENCY REQUEST: $14,876,533
                     HOUSE 1: $15,127,664
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AGENCY REQUEST:

The Center for Laboratories and Communicable Disease Control is supported by state and federal funds and is responsible for six major program areas: newborn screening; production and distribution of vaccines and serums to immunize children and high risk groups; prevention and control of communicable and venereal disease; diagnostic and microbiological laboratory services; food and environmental laboratory and consultation services; and drug analysis. State funds are requested to maintain current programs and convert 11 existing 03 consultant contracts to 11.5 temporary 02 state positions at no additional cost. New staff will provide AIDS testing, tuberculosis and refugee outreach, drug analysis and physician advisory services.

HOUSE 1:

House 1 reflects a cost-of-living increase of $48,352 for service providers and $500,000 for collective bargaining increases. It also includes a $57,400 decrease for the rental account transfer and a cut of $5,180 in 03 funds. Conversion of consultant contracts to 11.5 temporary 02 state positions is approved.

AGENCY NAME: DEPARTMENT OF PUBLIC HEALTH

ACCOUNT TITLE: CONSOLIDATED HOSPITALS ACCOUNT #: 4540-0001

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   FY'87 AGENCY APPROPRIATION: $93,585,050
         FY'88 AGENCY REQUEST: $98,695,960
                     HOUSE 1: $93,234,302
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AGENCY REQUEST:

The consolidated hospital account funds the seven public health hospitals. These facilities provide a broad range of clinical

services to meet the needs of patients not adequately served by the private sector. Programs include coma patient services at Western Massachusetts Hospital, the care of long-term ventilator dependent patients at Lakeville Hospital, acute care services for inmates in the Department of Correction and clients of the Department of Mental Health at Lemuel Shattuck Hospital, children's programs at the Massachusetts Hospital School, summer camps and respite programs for handicapped children at Western Massachusetts Hospital, the Center for Alcohol and Substance Abuse Disorders at Rutland Heights Hospital, the adult day care programs at Cushing Hospital, and the homeless shelter programs at the Tewksbury and Shattuck Hospitals. The Massachusetts Hospital School, the Shattuck Shelter, Lakeville Hospital and Western Massachusetts Hospital serve children and young adults under age 22.

The FY '88 agency request includes continuation of all programs funded in FY '87, and an expansion request of $750,000 to enable Lakeville Hospital to add 25 more beds. It also includes a request to use retained revenues for necessary one-time equipment and facility repairs.

HOUSE 1:

House 1 reflects annualization of the five bed Lakeville Hospital expansion funded in FY '87, $360,000 in additional funding to enable each of the seven public health hospitals to fully automate its billing system, and some expansion of adult services at Tewksbury and Rutland Heights.

Reductions are the result of a new charge-based reimbursement system. House I recommends piloting a new budgeting system for Western Massachusetts Hospital and Rutland Heights Hospital, to begin January 1, 1988.

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: REGIONAL DIRECT SERVICES ACCOUNT #: 4800-0200

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*                                                   *
   FY'87 AGENCY APPROPRIATION: $ 81,268,359
         FY'88 AGENCY REQUEST: $102,498,377
                       HOUSE 1: $100,583,675
*                                                   *
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AGENCY REQUEST:

With the exception of day care and respite care, this account, along with the Federal Social Services Block Grant, provides funding for over 1,700 social workers and the bulk of other social

services. Specifically, this account pays for comprehensive emergency services, case management, community residential services, counseling, family planning, foster care, homefinding, telephone hotlines, mediation, parent aides, emergency shelter and transitional living.

The agency's requested increase reflects DSS's intent to serve additional populations (e.g. adolescents, transition to independent living); and increases for cost-of-living adjustments and annualization.

HOUSE 1:

House I supported a three percent cost-of-living increase and funds for collective bargaining.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: SCHOOL BASED HEALTH EDUCATION ACCOUNT #: 7032-0500

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        FY'87 AGENCY APPROPRIATION: $400,000
              FY'88 AGENCY REQUEST: $744,804
                            HOUSE 1: $360,000
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AGENCY REQUEST:

These funds are used for grants to cities, towns, and regional school districts for school-based comprehensive health education program planning in the public schools. All programs are intended to be coordinated with local human service agencies including the Office for Children, and the Departments of Public Health, Social Services and Mental Health, as well as interested provider agencies. Funds are targeted for prevention programs for substance abuse, suicide, and family violence. Administrative funds have been consolidated into 7010-0005.

HOUSE 1:

House 1 supports funding at the FY '87 appropriation level and maintains current activities.

MENTAL HEALTH

EOHS*	4000-0760
DMH	5047-0000
DYS*	4202-0021
DYS*	4237-1010
DYS*	4238-1000
DPW*	4402-5300
DSS*	4800-0023

*designates an account that appears in two issue areas

ISSUE SUMMARY

CHILD-ADOLESCENT MENTAL HEALTH

Under Executive Order 244 and Chapter 206, adolescents formerly residing in adult wards of state hospitals must now be cared for in separate adolescent treatment units. During FY '86, three Intensive Residential Treatment Programs (IRTPs) and four acute inpatient units were opened to serve mentally ill children. Twelve of the 20 to 25 adolescents currently on a waiting list for these programs can be treated in a new IRTP with FY '88 funds. A 15 bed inpatient unit for emotionally disturbed/mentally retarded (ED/MR) children, many of whom remain on adult wards currently, will bring DMH into closer compliance with legal requirements. Some prevention and aftercare programs will also be developed to complement the IRTPs. These additional House I expansion items include:

- a total of 46 community residential beds,
- a total of 26 day treatment slots, and
- a 14 bed acute unit for the Metropolitan Boston area.

In addition to the Department of Mental Health, the Departments of Youth Services and Social Services plan to provide mental health services for children in their care. In the DYS agency request, though not in House I, $350,000 was designated to purchase individualized treatment for seven severely disturbed adolescents (4202-0021). In addition, an initiative proposed by DSS would utilize $600,000 for one new adolescent residential program (4800-0023).

If the Governor's House 1 recommendations are adopted without change, the total amount of funding in this service category to be spent exclusively on children is approximately $93,639,176. If adults are also served under specific accounts, only the percentage of the account known to be used for children's services is represented in the total. The figure noted above will <u>not</u> equal the sum of the H. 1 appropriations for each service category.

AGENCY NAME: EXECUTIVE OFFICE OF HUMAN SERVICES

ACCOUNT TITLE: NEEDS OF CHILDREN ACCOUNT #: 4000-0760

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   FY'87 AGENCY APPROPRIATION: $  -0-
         FY'88 AGENCY REQUEST: $  -0-
                       HOUSE 1: $  -0-
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AGENCY REQUEST:

The Executive Office of Human Services did not request funding for this account. In the past, this account funded children who are otherwise ineligible for services provided by agencies or departments within the Executive Office of Human Services. Past funding was utilized for both individual children with unique problems and for program development for small numbers of children with severe problems. Many children come to the attention of Executive Office of Human Services through the Office for Children's Interagency Teams. This account was last funded in FY '86.

The Executive Office of Human Services did not request funding based on last year's increases in other children's service accounts.

HOUSE 1:

H. 1 did not request funding for this account.

AGENCY NAME: DEPARTMENT OF MENTAL HEALTH

ACCOUNT TITLE: CHILDREN AND ADOLESCENT MENTAL HEALTH SERVICES ACCOUNT #: 5047-0000

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   FY'87 AGENCY APPROPRIATION: $34,732,829
         FY'88 AGENCY REQUEST: $41,390,438
                       HOUSE 1: $40,626,068
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AGENCY REQUEST:

This account funds outpatient, residential, day, emergency, family support, case management and inpatient programs specifically designed for children and adolescents. These

programs are interested to establish children's inpatient services separate from adult mental health programs, as required by the Governor's Executive Order 244 and Chapter 206 of the Acts of The Department is proposing a FY '88 base budget of $38,411,975. plus $3,000,000 in additional funding which will annualize to $5.9 million in FY '89. There are six initiatives listed in the expansion request:

- a 15 bed inpatient unit for ED/MR (emotionally disturbed/mentally retarded) children ($583,000);
- emergency services including 32 short term beds, crisis intervention teams, and a pilot project to provide crisis intervention in the home ($769,000);
- an additional 12 bed Intensive Residential Treatment Program (IRTP) ($300,000);
- a total of 54 community residential beds primarily for aftercare ($844,000);
- a total of 38 day treatment slots ($130,000); and
- increase in the Individual Service Fund (ISF) to provide services for an additional 156 children referred primarily from inpatient units and the Office for Children's Interagency Team ($352,000).

HOUSE 1:

House 1 recommends $1.7M in expansion for the following:

- a 15 bed inpatient unit for ED/MR children;
- an additional 12 bed IRTP;
- a total of 20 community residential beds primarily for aftercare;
- a total of 10 day treatment slots; and
- a 20 bed acute unit for the Metropolitan Boston area.
- no additional individual service funds (ISF); and
- 24 crisis beds in community-based clinically intensive settings.

Under discussion is a $214,538 DMH supplemental budget for FY '87 which, if approved, would allow DMH to expand these initiatives and ISF expansion in an FY '88 annualization to $2.27M.

AGENCY NAME: DEPARTMENT OF YOUTH SERVICES

ACCOUNT TITLE: RESIDENTIAL PROGRAMS PURCHASE-OF-SERVICE ACCOUNT #: 4202-0021

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   FY'87 AGENCY APPROPRIATION: $26,000,000
         FY'88 AGENCY REQUEST: $28,428,492
                     HOUSE 1: $28,038,917
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AGENCY REQUEST:

The Residential Programs Purchase of Service Account provides funding for the Department of Youth Services (DYS) residential and non-residential purchases of service (i.e. group care, foster care, non-secure detention).

The Department of Youth Services has not included collective bargaining or cost-of-living increases in its FY '88 request as instructed by the Executive Office of Administration and Finance.

DYS requested $1,596,582 for expansion. This will return that account to its previous funding level and provide funds to pay tuition costs for clients in educational settings.

Expansion funds will be used to increase services and to improve existing detention and community based services. Expansion includes:

- $458,333 for 20 clinical and direct care positions in existing contracts.

- $350,000 to purchase specialized placements for seven severely disturbed adolescents who require individualized treatment services.

- $100,000 for employment and training of 750 clients to provide skills training and increase their employability.

- $250,000 for six month funding of a two phase Secure Transition Pilot Program: Phase one - a six bed residential setting with an average anticipated placement period of three to four months, and Phase two - a four bed independent living placement. This program will provide a strong training and employment component, counseling, activities in daily living skills, and instruction in time and money management for youths who have completed a secure treatment program.

- $438,249 to purchase 14 new beds and to upgrade 14 additional detention beds to a more secure level.

HOUSE 1:

House 1 recommends $28,038,917 for FY '88, an increase of $1,357,007 over the agencies amended FY '87 appropriation of $26,681,910. The amended appropriation includes a reserve of $681,910 for the FY '87 cost-of-living increase (COLA) in Contracted Services. H. 1 also includes: $123,320 for maintenance costs, $795,687 for a three percent COLA, and $438,000 for new expansion that will be used to provide:

- $188,000 for six month start-up funding for 14 new detention beds,
- $125,000 for ten new clinical group care workers in existing contracts, and
- $125,000 for six month start up funding for the Secure Transition Pilot Program.

Not included in House 1 is the agency's $350,000 request for individualized treatment services for severely disturbed adolescents. Also not included is the request for employment training funds.

AGENCY NAME: DEPARTMENT OF YOUTH SERVICES

ACCOUNT TITLE: COMMUNITY BASED TREATMENT UNITS ACCOUNT #: 4237-1010

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*                                                   *
   FY'87 AGENCY APPROPRIATION: $5,175,000
         FY'88 AGENCY REQUEST: $5,504,691
                     HOUSE 1: $5,938,034
*                                                   *
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AGENCY REQUEST:

The Community Based Treatment Unit Account provides funding for regional offices, staff and equipment, community-based treatment services for clients, and the Stephen L. French Youth Forestry Camp.

The agency request reflected increases to cover maintenance costs and an anticipated raise in rental fees for the Northeast Regional Office in Wilmington.

The Department has not included collective bargaining or cost-of-living increases in the account.

HOUSE 1:

House I recommends $5,938,034 for FY '88, $580,184 represents collective bargaining costs. The actual increase in this account is $182,850 for maintenance and the six month rental increase anticipated for the Wilmington regional office.

AGENCY NAME: DEPARTMENT OF YOUTH SERVICES

ACCOUNT TITLE: CONSOLIDATED SECURE FACILITIES ACCOUNT #: 4238-1000

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   FY'87 AGENCY APPROPRIATION: $12,000,000
         FY`88 AGENCY REQUEST: $12,486,024
                     HOUSE 1: $12,849,990
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AGENCY REQUEST:

Consolidated Secure Facilities are the detention, treatment and shelter programs operated by the Department of Youth Services. Some of those facilities are contracted programs.

The FY '88 agency request includes maintenance costs and expansion from both savings and new monies.

Expansion funds have been requested in the Maintenance-Repair, Replacement and Alterations account and the Equipment account. Funds will be used to maintain nine facilities; to pay for electrical, plumbing and boiler repairs by certified tradesmen; to purchase maintenance contracts for heating and air conditioning systems, refrigeration equipment and elevators in two facilities; and to replace broken or worn out equipment in DYS Group Care faciliti

The Department has not included collective bargaining increases in this account.

HOUSE 1:

House 1 recommends $12,849,990. This includes $12,789,093 in maintenance cost, of which $893,819 is collective bargaining cost and $60,897 represents a three percent cost-of-living increase for contracted services. H.1 does not include funding for the expansion request to maintain and repair facilities and purchase equipment.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: MEDICAID FOR MENTALLY ILL AND RETARDED ACCOUNT #: 4402-5300

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        FY'87 AGENCY APPROPRIATION: $56,000,000
              FY'88 AGENCY REQUEST: $70,065,809
                            HOUSE 1: $67,300,000
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AGENCY REQUEST:

Medicaid for the Mentally Ill and Mentally Retarded pays for the following community services: Intermediate Care Facilities for the mentally retarded, day habilitation, early intervention, mental health centers, psychiatric hospital outpatient departments, and psychiatric day treatment. All of these forms of treatment are intended to encourage independence and to avoid institutional care. The community mental health centers funded in this account serve low income people. Of their patients, 35 to 40 percent are working poor, and a substantial proportion of their income comes from Medicaid.

There has been steady growth in these services in the last few years. From FY '81 to FY '87, ICF-MR's will grow from six to 39. The establishment of 22 new day habilitation programs will bring that total to 32 in FY '87. Mental health centers will number 162, up from 115 in FY '81. In FY '87, there will be 28 more psychiatric day treatment programs than in FY '81. Early intervention programs for the retarded total 43 in FY '87.

Growth in community services for the mentally retarded has come about primarily because of consent decrees agreed to in the 1970s to improve services for retarded individuals living in state schools. Community residential facilities (ICF-MR's) now represent a little less than one-quarter of this account.

The agency request includes five new day habilitation programs. An increase of 20 new community mental health centers for a total of 182 is also requested. The agency request incudes $6.7M annualization, $3.5M inflation and $1.8M non-discretionary program costs.

HOUSE 1:

The Governor's recommendation increases this account by nearly $11M over the FY '87 appropriation. House 1 supports the agency request after downward adjustments of almost $3M. The total recommendation is $5.4M annualization, $3.2M inflation and $2.2M non-discretionary expansion costs (one new ICF-MR is funded).

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: NEW PROGRAMS RESERVE ACCOUNT #: 4800-0023

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   FY'87 AGENCY APPROPRIATION: $1,729,577
         FY'88 AGENCY REQUEST: $2,589,841
                     HOUSE 1: $2,148,167
*                                                   *
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AGENCY REQUEST:

This account has historically been intended by the Legislature as a reserve to be used to initiate or to continue funding for new DSS programs or projects.

For FY '88, DSS requested $600,000 in expansion funds for one new ten bed secure adolescent residential program, a four percent cost-of-living allowance for providers and a $620,000 transfer from 4800-0200 (DSS Regional Direct Services) to cover annualization of an adolescent treatment program.

HOUSE 1:

The Governor's recommendation of a $418,590 increase over FY '87 reflects a $410,000 transfer from 4800-0200 for annualized costs of the adolescent treatment program and a three percent cost-of-living allowance. The $410,000 annualization is a decrease of $210,000 needed for program funding. House 1 does not fund the requested ten bed secure residential treatment program.

JUVENILE JUSTICE

DYS*	4202-0021
DYS*	4237-1010
DYS*	4238-1000

*designates an account that appears in two issue areas

JUVENILE JUSTICE

The responsibility of providing services, care and protection for certain children is shared jointly by the judicial system and human service agencies.

The judicial system has two components: the Juvenile Court and the Juvenile Probation Department. The Juvenile Court hears civil, criminal and probate issues affecting children. The Juvenile Probation Officer's involvement begins before the juvenile's case goes before the court. The Probation Officer is notified when a child is picked up by the police prior to a hearing. He or she is involved in the arraignment, bail determination, clinical referrals and a home, school and community investigation of the youth. The officer presents his findings to the court at the disposition hearing. Some of the services provided through the judicial system are: Interim Education Services, Citizenship Training Programs, Diversion and Restitution Programs and daily supervision of the juvenile five days a week.

Human services agencies provide care and protection of youth referred or committed to them by the Courts. The Department of Social Services is responsible for children whom the Court designates as "Children In Need of Services".

The Department of Social Services provides group care, foster care, emergency shelter, case management, investigation, and adoption services. The Department also provides homemakers day care, and parent aides to these children and their families.

The Department of Youth Services (DYS) provides treatment, care and maintenance for juvenile offenders referred or committed to its care by the Court. The Department operates contracts for services through Purchase-of-Services funds. DYS funds 12 Secure Treatment Programs; eight Secure Detention Programs; five Youth Service Centers; seven Shelter Care Programs; 11 Group Care Programs; seven Foster Care Programs, and provides outreach, tracking, education, vocational counseling, medical services and case work services.

If the Governor's House 1 recommendations are adopted without change, the total amount of funding in this service category to be spent exclusively on children is approximately $46,826,941. If adults are also served under specific accounts, only the percentage of the account known to be used for children's services is represented in the total. The figure noted above will <u>not</u> equal the sum of the H. 1 appropriations for each service category.

AGENCY NAME: DEPARTMENT OF YOUTH SERVICES

ACCOUNT TITLE: RESIDENTIAL PROGRAMS PURCHASE-OF-SERVICE ACCOUNT #: 4202-0021

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   FY'87 AGENCY APPROPRIATION: $26,000,000
         FY'88 AGENCY REQUEST: $28,428,492
                     HOUSE 1: $28,038,917
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AGENCY REQUEST:

The Residential Programs Purchase of Service Account provides funding for the Department of Youth Services (DYS) residential and non-residential purchases of service (i.e. group care, foster care, non-secure detention).

The Department of Youth Services has not included collective bargaining or cost-of-living increases in its FY '88 request as instructed by the Executive Office of Administration and Finance.

DYS requested $1,596,582 for expansion. This will return that account to its previous funding level and provide funds to pay tuition costs for clients in educational settings.

Expansion funds will be used to increase services and to improve existing detention and community based services. Expansion includes:

- $458,333 for 20 clinical and direct care positions in existing contracts.

- $350,000 to purchase specialized placements for seven severely disturbed adolescents who require individualized treatment services.

- $100,000 for employment and training of 750 clients to provide skills training and increase their employability.

- $250,000 for six month funding of a two phase Secure Transition Pilot Program: Phase one - a six bed residential setting with an average anticipated placement period of three to four months, and Phase two - a four bed independent living placement. This program will provide a strong training and employment component, counseling, activities in daily living skills, and instruction in time and money management for youths who have completed a secure treatment program.

- $438,249 to purchase 14 new beds and to upgrade 14 additional detention beds to a more secure level.

HOUSE 1:

House 1 recommends $28,038,917 for FY '88, an increase of $1,357,007 over the agencies amended FY '87 appropriation of $26,681,910. The amended appropriation includes a reserve of $681,910 for the FY '87 cost-of-living increase (COLA) in Contracted Services. H. 1 also includes: $123,320 for maintenance costs, $795,687 for a three percent COLA, and $438,000 for new expansion that will be used to provide:

- $188,000 for six month start-up funding for 14 new detention beds,
- $125,000 for ten new clinical group care workers in existing contracts, and
- $125,000 for six month start up funding for the Secure Transition Pilot Program.

Not included in House 1 is the agency's $350,000 request for individualized treatment services for severely disturbed adolescents. Also not included is the request for employment training funds.

AGENCY NAME: DEPARTMENT OF YOUTH SERVICES

ACCOUNT TITLE: COMMUNITY BASED TREATMENT UNITS ACCOUNT #: 4237-1010

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*                                                   *
   FY'87 AGENCY APPROPRIATION: $5,175,000
         FY'88 AGENCY REQUEST: $5,504,691
                     HOUSE 1: $5,938,034
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AGENCY REQUEST:

The Community Based Treatment Unit Account provides funding for regional offices, staff and equipment, community-based treatment services for clients, and the Stephen L. French Youth Forestry Camp.

The agency request reflected increases to cover maintenance costs and an anticipated raise in rental fees for the Northeast Regional Office in Wilmington.

The Department has not included collective bargaining or cost-of-living increases in the account.

HOUSE 1:

House I recommends $5,938,034 for FY '88, $580,184 represents collective bargaining costs. The actual increase in this account is $182,850 for maintenance and the six month rental increase anticipated for the Wilmington regional office.

AGENCY NAME: DEPARTMENT OF YOUTH SERVICES

ACCOUNT TITLE: CONSOLIDATED SECURE FACILITIES ACCOUNT #: 4238-1000

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   FY'87 AGENCY APPROPRIATION: $12,000,000
         FY`88 AGENCY REQUEST: $12,486,024
                     HOUSE 1: $12,849,990
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AGENCY REQUEST:

Consolidated Secure Facilities are the detention, treatment and shelter programs operated by the Department of Youth Services. Some of those facilities are contracted programs.

The FY '88 agency request includes maintenance costs and expansion from both savings and new monies.

Expansion funds have been requested in the Maintenance-Repair, Replacement and Alterations account and the Equipment account. Funds will be used to maintain nine facilities; to pay for electrical, plumbing and boiler repairs by certified tradesmen; to purchase maintenance contracts for heating and air conditioning systems, refrigeration equipment and elevators in two facilities; and to replace broken or worn out equipment in DYS Group Care facilitie

The Department has not included collective bargaining increases in this account.

HOUSE 1:

House 1 recommends $12,849,990. This includes $12,789,093 in maintenance cost, of which $893,819 is collective bargaining cost and $60,897 represents a three percent cost-of-living increase for contracted services. H.1 does not include funding for the expansion request to maintain and repair facilities and purchase equipment.

EDUCATION

DOE	7010-0012
DOE	7010-0025
DOE	7010-0043
DOE	7010-0044
DOE	7028-0001
DOE	7028-0031
DOE	7028-0101
DOE	7028-0302
DOE	7030-2000
DOE	7030-2501
DOE	7030-0211
DOE*	7032-0500
DOE	7061-0009
DOE	7061-0010
DOE	7061-0012
DOE	7061-1000
DOE	7061-2000
DOE	7061-4000

*designates an account that appears in two issue areas

ISSUE SUMMARY

EDUCATION

The proposed FY '88 state budget reflects a continued commitment to improving the quality of education for children. Funding earmarked for the Department of Education (DOE) features a single centralized administrative account that would replace the current system of 14 separate administrative accounts. Combining these accounts will enhance DOE's ability to direct agency resources where they are most needed. The new administrative account includes full funding of staff positions filled during FY '87.

Chapter 188, the School Improvement Act, is in its second year of implementation. Expansion in both basic skills testing and mediation programs will continue in FY '88. Assisting those students who fall below the statewide average in basic skill testing, these programs help low achievers gain the knowledge they need to graduate. Level funding of the School Improvement account and expenditure of those funds through the School Improvement Advisory Councils will continue to involve parents in working to improve local schools.

Expansion in Chapter 70 funds and Equal Education Improvement Grants will increase the reimbursement levels for cities and towns. These funds are available to local school systems where per pupil expenditures are less than 85 percent of the statewide per pupil average.

House 1 also reflects the Governor's commitment to helping reduce high dropout rates and subsequent unemployment through the Commonwealth Futures Program. In FY '88, six additional communities which have developed plans to form partnership projects involving community and state agencies, local officials, and businesses will be funded. A total of 12 communities will be funded in FY '88.

Chapter 766 reflects a 14 percent expansion in Local Education Authority Incentive Grants. These funds will allow local school systems to develop programs for deinstitutionalized children. Accounts that support children in residential programs are level funded. However, the number of children placed in these programs has increased since DOE instituted a system that pays providers directly. Previously DOE had reimbursed school systems for 60

percent of these costs after the school system had paid the provider.

If the Governor's House 1 recommendations are adopted without change, the total amount of funding in this service category to be spent exclusively on children is approximately $177,483,624. If adults are also served under specific accounts, only the percentage of the account known to be used for children's services is represented in the total. The figure noted above will <u>not</u> equal the sum of the H. 1 appropriations for each service category.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: RACIAL IMBALANCE ACCOUNT #: 7010-0012

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        FY'87 AGENCY APPROPRIATION: $12,215,941
              FY'88 AGENCY REQUEST: $13,192,245
                            HOUSE 1: $13,192,245
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AGENCY REQUEST:

This account provides grants to cities and towns for payment of costs incurred in eliminating racial imbalance. The department's request reflects a maintenance increase.

HOUSE 1:

House 1 supports the agency request.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: STATEWIDE ASSESSMENT/ BASIC SKILLS ACCOUNT #: 7010-0025

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        FY'87 AGENCY APPROPRIATION: $  925,000
              FY'88 AGENCY REQUEST: $1,150,000
                            HOUSE 1: $1,150,000
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AGENCY REQUEST:

This account funds the Department of Education's statewide assessment testing program. Under Chapter 188 the state now is required to administer a statewide assessment test which is aimed at measuring basic skill levels in reading and math. Students who are not able to meet basic standards are then eligible for remediation classes through the Department of Education Basic Skills/Remediation account 7030-2000.

HOUSE 1:

House 1 supports the agency request, an increase of $225,000 over the FY '87 appropriation to support further development of the program. The FY '87 allocation was for planning purposes.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: EQUAL EDUCATION IMPROVEMENT FUNDS — ACCOUNT #: 7010-0043

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        FY'87 AGENCY APPROPRIATION: $9,641,900
              FY'88 AGENCY REQUEST: $9,641,900
                            HOUSE 1: $9,641,900
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AGENCY REQUEST:

This account funds grants to cities and towns with students of Hispanic and Southeast Asian origin. The funds are intended to be used for specialized curriculum and staff.

HOUSE 1:

House 1 supports the department's request.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: EMERGENCY GRANTS FOR MINORITY POPULATION — ACCOUNT #: 7010-0044

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        FY'87 AGENCY APPROPRIATION: $1,500,000
              FY'88 AGENCY REQUEST: $1,500,000
                            HOUSE 1: $   -0-
*                                                 *
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AGENCY REQUEST:

This account represents additional funding for cities where current demographic changes due to immigration and relocation of families has increased the need for English-as-a-second language teachers, bi-lingual teachers and specialized curriculum. The account supplements 7010-0043.

HOUSE 1:

House 1 does not support the agency request.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: ADMINISTRATION OF SPECIAL EDUCATION ACCOUNT #: 7028-0001

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        FY'87 AGENCY APPROPRIATION: $1,907,284
              FY`88 AGENCY REQUEST: $2,060,824
                            HOUSE 1: $   -0-
*                                                 *
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```

AGENCY REQUEST:

This line item funds administrative costs and staff positions for DOE's Special Education Division.

HOUSE 1:

House 1 has collapsed this account into general administration account 7010-0005. Consolidating all administrative accounts will allow DOE increased administrative flexibility without loss of existing staff positions.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: BUREAU OF INSTITUTIONAL SCHOOLS ACCOUNT #: 7028-0031

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*                                                 *
        FY'87 AGENCY APPROPRIATION: $10,475,000
              FY`88 AGENCY REQUEST: $10,815,216
                            HOUSE 1: $10,020,678
*                                                 *
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```

AGENCY REQUEST:

This line item reflects the costs for educating students in institutional settings, such as intensive residential treatment programs (IRTP), state hospitals and state schools.

HOUSE 1:

House I is $225,000 less than the FY '87 appropriation and does not reflect collective bargaining costs.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: LOCAL EDUCATION AUTHORITY INCENTIVE GRANTS ACCOUNT #: 7028-0101

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*                                                 *
        FY'87 AGENCY APPROPRIATION: $1,584,011
              FY'88 AGENCY REQUEST: $2,084,011
                            HOUSE 1: $2,084,011
*                                                 *
* * * * * * * * * * * * * * * * * * * * * * * * * *
```

AGENCY REQUEST:

Local Education Authority (LEA) Incentive Grants pay for the development of programs for children who return to their communities from institutional settings. The number of these children is decreasing due to attrition. This is occurring because no children are currently being admitted to state hospitals, and those already under treatment are growing older.

DOE has requested an increase in this account in anticipation of a budgetary language change that will allow LEAs to develop community-based transitional programs for children who are released from residential treatment programs or detention settings.

HOUSE 1:

House 1 supports the agency request, an increase of $500,000 over the FY '87 appropriation.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: PRIVATE SCHOOLS ACCOUNT #: 7028-0302

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*                                                 *
        FY'87 AGENCY APPROPRIATION: $14,287,743
              FY'88 AGENCY REQUEST: $11,184,710
                            HOUSE 1: $11,184,710
*                                                 *
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```

AGENCY REQUEST:

These funds pay the incurred expenses of children placed in programs by the Department of Public Welfare prior to 1974 who have no father or mother living in the Commonwealth.

Approximately 480 children are currently covered. The agency request reflects an attrition rate of approximately 60 children since FY '87.

HOUSE 1:

House 1 supports the agency request and reflects the Department's request for a decrease of $3,103,033.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: BASIC SKILLS/REMEDIATION ACCOUNT #: 7030-2000

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*                                                 *
        FY'87 AGENCY APPROPRIATION: $10,000,000
              FY'88 AGENCY REQUEST: $20,111,448
                            HOUSE 1: $11,700,000
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```

AGENCY REQUEST:

This account is intended to be used for the remediation of students who have not met basic skill levels in reading and math as measured through the statewide testing program (7010-0025). Of these funds, 75 percent are targeted for basic skills in grades 1 through 9, and 25 percent for remediation of students grades 9-12 who have not obtained a basic level of skill in reading and mathematics and are at risk of dropping out. The FY '88 request would expand available services, particularly drop out prevention programs.

HOUSE 1:

House 1 reflects an increase over the FY '87 appropriation which would allow for maintenance of existing programs and a small increase in new program funds.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: COMMONWEALTH FUTURES ACCOUNT #: 7030-2501

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        FY'87 AGENCY APPROPRIATION: $   -0-
              FY'88 AGENCY REQUEST: $   -0-
                            HOUSE 1: $1,000,000
*                                                 *
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```

AGENCY REQUEST:

The agency did not request funding.

HOUSE 1:

Under Basic Skills/Remediation (7030-2000) funds are available for school districts to establish dropout prevention programs. However, the dropout problems reach beyond the schools both in cause and effect.

The Commonwealth Futures Programs, initiated through a private grant, is a coordinated statewide effort to address the drop out problem. The goal is to help identified communities plan and implement long-term strategies to enable disadvantaged youth to become self sufficient. A total of 12 communities will participate in FY '88 if the House 1 request is funded.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: GIFTED AND TALENTED ACCOUNT #: 7032-0211

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        FY'87 AGENCY APPROPRIATION: $1,000,000
              FY'88 AGENCY REQUEST: $1,073,888
                            HOUSE 1: $  900,000
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```

AGENCY REQUEST:

The funds support programs for gifted and talented children in public school settings.

HOUSE 1:

House 1 supports the Department's request. This account is funded at last year's level with ten percent of the administrative costs transferred in the Administration account 7010-0005.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: SCHOOL BASED HEALTH EDUCATION ACCOUNT #: 7032-0500

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*                                                   *
        FY'87 AGENCY APPROPRIATION: $400,000
              FY'88 AGENCY REQUEST: $744,804
                            HOUSE 1: $360,000
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```

AGENCY REQUEST:

These funds are used for grants to cities, towns, and regional school districts for school-based comprehensive health education program planning in the public schools. All programs are intended to be coordinated with local human service agencies including the Office for Children, and the Departments of Public Health, Social Services and Mental Health, as well as interested provider agencies. Funds are targeted for prevention programs for substance abuse, suicide, and family violence. Administrative funds have been consolidated into 7010-0005.

HOUSE 1:

House 1 supports funding at the FY '87 appropriation level and maintains current activities.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: STATE WARDS ACCOUNT #: 7061-0009

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*                                                   *
        FY'87 AGENCY APPROPRIATION: $7,500,000
              FY'88 AGENCY REQUEST: $7,500,000
                            HOUSE 1: $7,300,000
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```

AGENCY REQUEST:

This line item reflects the reimbursement costs to cities and towns providing educational services to children in the custody of the Department of Social Services.

HOUSE 1:

House 1 funding is based on revised data submitted by the Department of Social Services which projects a decrease in the number of children needing services through this account.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: RECREATIONAL PROGRAMS ACCOUNT #: 7061-0010

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        FY'87 AGENCY APPROPRIATION: $500,000
              FY'88 AGENCY REQUEST: $500,000
                            HOUSE 1: $500,000
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```

AGENCY REQUEST:

These funds are used for summer recreational programs run by individual cities and towns for children with special needs.

HOUSE 1:

House 1 supports the FY '87 funding level.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: NON-EDUCATIONAL RESIDENTIAL COST (60/40) ACCOUNT #: 7061-0012

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*                                                   *
        FY'87 AGENCY APPROPRIATION: $7,750,080
              FY'88 AGENCY REQUEST: $7,750,080
                            HOUSE 1: $7,750,080
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```

AGENCY REQUEST:

These funds are intended for children placed in residential programs by their local education authority (LEA). The Department of Education (DOE) is responsible for 60 percent of the total program costs. The LEA is responsible for the day rate or 40 percent of the total costs. In FY'87 the Department initiated payment of 60 percent of the costs directly to the vendor. Prior to this, LEAs paid the provider directly and were reimbursed by DOE. The implementation of this policy means that local funds are no longer tied up while LEAs' await reimbursement from the state. This enables LEAs to place more students in 24 hour residential, education services.

HOUSE 1:

House 1 supports the Department's requests, however an unanticipated $1.9M deficit in this account is not funded. An increase in this account is currently being negotiated. No final decision has been reached at this time.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: EQUAL EDUCATION OPPORTUNITY GRANTS ACCOUNT #: 7061-1000

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*                                                   *
        FY'87 AGENCY APPROPRIATION: $55,226,254
              FY'88 AGENCY REQUEST: $81,000,000
                            HOUSE 1: $81,000,000
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```

AGENCY REQUEST:

These funds supplement the direct spending budgets of school districts which are currently spending less than 85 percent of the statewide per pupil average. They enable cities and towns with low tax bases to purchase books and supplies and hire additional staff.

HOUSE 1:

House 1 supports the agency request.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: PROFESSIONAL DEVELOPMENT ACCOUNT #: 7061-2000

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*                                                   *
        FY'87 AGENCY APPROPRIATION: $31,350,000
              FY'88 AGENCY REQUEST: $11,400,000
                            HOUSE 1: $11,400,000
*                                                   *
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AGENCY REQUEST:

These funds are targeted for programs designed to attract and retain teachers. Since Proposition 2 1/2 there has been increasing difficulty in retaining and attracting new teachers. A special Commission on the Status of Teaching, comprised of legislators, educators and business people, is developing long-term recommendations to be released in the spring of '87. The FY '88 agency request is nearly $20M less than the FY '87 appropriation because the Department revised its funding formula.

HOUSE 1:

House 1 supports the Department's request.

AGENCY NAME: DEPARTMENT OF EDUCATION

ACCOUNT TITLE: SCHOOL IMPROVEMENT FUNDS ACCOUNT #: 7061-4000

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*                                                   *
        FY'87 AGENCY APPROPRIATION: $8,446,530
              FY'88 AGENCY REQUEST: $8,300,000
                            HOUSE 1: $8,300,000
*                                                   *
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AGENCY REQUEST:

This line represents the per pupil entitlement established by Chapter 188 for all children in grades 1 through 12. The difference between the FY '87 appropriation and FY '88 request is the result of currently declining enrollment. Funds are intended to be used for supplemental equipment, special projects or additional curriculum which each School Improvement Council deems necessary.

HOUSE 1:

House 1 supports the Department's request.

DISABLED CHILDREN

EOHS*	4000-0760
MCB	4110-2040
MCB	4110-3010
MRC	4120-0010
MRC	4120-0061
MRC	4120-0071
MRC	4120-0081
MRC	4120-0092
MCDHH	4125-0100
DPW*	4402-5300
DSS	4800-0070
DMH	5011-0006
DMR	5911-0006
DMR	5947-0000
DMR	5983-0100

*designates an account that appears in two issue areas

ISSUE SUMMARY

DISABLED CHILDREN

Disabled children are served by many agencies. Under Chapter 766, local school systems are required to provide for the educational needs of these children. A child is often eligible for and receives service from a local school system and two or more state agencies.

In many cases, state agencies provide home-based support services in addition to out-of-home care. The Executive Office of Human Services (EOHS) provides services through the Bureau of Transitional Planning (BTP). In addition, the Department of Mental Health, the newly created Department Mental Retardation, the Massachusetts Rehabilitation Commission and the Commission for the Blind fund Turning 22 Services and work with BTP. Until FY '87, EOHS managed a reserve account to provide services for children who were determined to be ineligible for services through agencies or departments operating under EOHS.

The Department of Mental Retardation, formerly part of the Department of Mental Health, has earmarked funding for multiply handicapped children. However, it should be noted that fewer than four percent of residents in state-operated mental retardation facilities (state schools) are children.

The Department of Public Health serves multiply handicapped children through in-home support and out-of-home residential programs. DPH provides early intervention programs, as well as developmental day and integrated pre-school programs. The Medical Review Team is funded through this agency to assess medically at-risk cases. A newer program, the Recruitment Plus Project (RPP) recruits and trains foster parents to care for medically needy children. DPH operates RPP in cooperation with the Department of Social Services, which also provides respite care to families with developmentally disabled children.

The Department of Public Welfare pays for health care for mentally ill and mentally retarded children under the state's Medicaid Program.

Some agencies serve disabled populations exclusively. The Massachusetts Commission for the Blind (MCB) provides services for the legally blind and deaf-blind through social service and vocational rehabilitation programs. The Massachusetts Rehabilitation Commission (MRC) assists the permanently disabled with vocational rehabilitation, independent living programs, and

other social services. The head-injured receive specialized case management and residential services through MRC. Created in FY '86, the Massachusetts Commission for the Deaf and Hard of Hearing evaluates the effectiveness of services provided for the deaf and hard of hearing by other state agencies. It also provides information and referral services as well as interpreters.

Expansion for disabled children in House 1 occurs in DMH and DMR's Turning 22 accounts ($1.28M). In addition, H. 1 recommends an increase of $125,000 within the Commission for the Blind to serve the deaf-blind population. It also recommends funding within the Department of Public Welfare for one new ICF-MR (Intermediate Care Facility for the Mentally Retarded).

If the Governor's House 1 recommendations are adopted without change, the total amount of funding in this service category to be spent exclusively on children is approximately $49,487,608. If adults are also served under specific accounts, only the percentage of the account known to be used for children's services is represented in the total. The figure noted above will <u>not</u> equal the sum of the H. 1 appropriations for each service category.

AGENCY NAME: EXECUTIVE OFFICE OF HUMAN SERVICES

ACCOUNT TITLE: NEEDS OF CHILDREN ACCOUNT #: 4000-0760

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   FY'87 AGENCY APPROPRIATION: $  -0-
         FY`88 AGENCY REQUEST: $  -0-
                      HOUSE 1: $  -0-
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AGENCY REQUEST:

The Executive Office of Human Services did not request funding for this account. In the past, this account funded children who are otherwise ineligible for services provided by agencies or departments within the Executive Office of Human Services. Past funding was utilized for both individual children with unique problems and for program development for small numbers of children with severe problems. Many children come to the attention of Executive Office of Human Services through the Office for Children's Interagency Teams. This account was last funded in FY '86.

The Executive Office of Human Services did not request funding based on last year's increases in other children's service accounts.

HOUSE 1:

H. 1 did not request funding for this account.

AGENCY NAME: MASSACHUSETTS COMMISSION FOR THE BLIND

ACCOUNT TITLE: SOCIAL SERVICES FOR THE BLIND ACCOUNT #: 4110-2040

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   FY'87 AGENCY APPROPRIATION: $4,041,423
         FY`88 AGENCY REQUEST: $4,596,151
                      HOUSE 1: $4,562,030
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AGENCY REQUEST:

The Social Services for the Blind account provides a range of services, including rehabilitative services (i.e. skills training such as cooking and clothes labeling) for the newly blind, 70 percent of whom are over 65 years of age. Services to children under age 14, such as infant stimulation and consultation with public schools, and independent living services and casework,

such as information and referral, homemaker services, and the provision of special lenses and magnifiers are also paid for under this account.

There are 23,000 legally blind Massachusetts residents of whom 1,164 are children between birth and 22 years of age. Of these, an estimated 35 percent receive one or more services from this program. Approximately 474 children are active cases. In FY '87, a project was initiated to supplement other Turning 22 services and to assist deaf-blind individuals who are turning 22 years old and are, therefore, no longer eligible for special education services under Chapter 766. The new program coordinates and plans services for the deaf-blind population, as well as providing direct vocational and independent living services. It is estimated that 109 deaf-blind individuals will turn 22 between now and 1996. In addition, there are 250 deaf-blind people age 23 or older.

The agency request shows an increase of $497,179 over maintenance funding of $4,064,851. This expansion request will serve the deaf-blind population. Currently, 51 deaf-blind clients are enrolled in the program. The agency would expand to 56 clients in FY '88.

The agency also requested expansion totalling $405,761 to provide 12 months of services with a seven percent cost of living allowance and $125,539 for the five new clients expected in that year. These figures are added to a base budget of just over $1.6M for Turning 22 services.

HOUSE 1:

The Governor's budget allows $937,000 to maintain the services of the FY '87 clients, plus $125,000 for the expansion ($125,000 is the cost for phasing in services for five new deaf/blind Turning 22 clinets). The Governor's budget includes $249,227 for collective bargaining and a three percent cost-of-living increase.

AGENCY NAME: MASSACHUSETTS COMMISSION FOR THE BLIND

ACCOUNT TITLE: VOCATIONAL REHABILITATION FOR THE BLIND ACCOUNT #: 4110-3010

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        FY'87 AGENCY APPROPRIATION: $1,420,874
              FY'88 AGENCY REQUEST: $1,950,800
                            HOUSE 1: $1,794,315
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AGENCY REQUEST:

The State Vocational Rehabilitation Program provides job training services to certain blind individuals. Services include evaluation, diagnosis, counseling, guidance and referral, vocational training, physical or mental rehabilitation, transportation and job placement. An adaptive technology program operates through this account.

While this program was originally created to fund the required 20 percent "state match" of federal vocational rehabilitation money, Massachusetts appropriation levels have exceeded this requirement for several years. The current federal grant level is $4.2M. The agency requested funds to offset an expected cut in the federal grant.

HOUSE 1:

The Governor's recommendation reflects more recently available information on the federal grant. It is expected to remain at last year's $4.2M level, negating the anticipated increase in the agency request.

AGENCY NAME: MASSACHUSETTS REHABILIATION COMMISSION

ACCOUNT TITLE: VOCATIONAL REHABILITATION ACCOUNT #: 4120-0010

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        FY'87 AGENCY APPROPRIATION: $6,714,321
              FY'88 AGENCY REQUEST: $8,868,636
                            HOUSE 1: $6,867,176
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AGENCY REQUEST:

The Massachusetts Rehabilitation Commission (MRC) assists permanently disabled people to maximum independence through job training and placement, personal care assistance, and independent living programs. The Commission administers programs including the Vocational Rehabilitation Program. This account funds the state's share for the federal vocational rehabilitation program.

After 1977, when federal support for this program declined, MRC opted to provide the full range of services, including van modification, adaptive housing, and vocational placement only to severely handicapped individuals. Less severely handicapped clients receive some counseling and staff guidance or assessment. The agency requested maintenance funding.

HOUSE 1:

The Governor's recommendation is an increase of $152,855 over the FY '87 appropriation. It included a three percent cost-of-living increase for service providers.

AGENCY NAME: MASSACHUSETTS REHABILITATION COMMISSION

ACCOUNT TITLE: INDEPENDENT LIVING PROGRAM ACCOUNT #: 4120-0061

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        FY'87 AGENCY APPROPRIATION: $  857,680
              FY'88 AGENCY REQUEST: $1,017,680
                            HOUSE 1: $1,484,520
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AGENCY REQUEST:

The Independent Living Program provides social services, such as information and referral, advocacy, skills training, and emergency intervention services, to those severely handicapped individuals who are not eligible for vocational rehabilitation services but who can be helped to live independently within the community.

In FY '85, 2,302 clients received independent living services. By the end of FY '87, it is projected that 4,500 will use the program. Many service recipients have been diagnosed as having muscular dystrophy, multiple sclerosis, spinal cord injury or cerebral palsy.

In FY '86, there were seven independent living programs. Two more (in the North Shore/Cape Ann and Fall River/New Bedford regions) will begin operation during FY '87.

In FY '86 and FY '87, four new independent living center/satellite programs were established. The increase in the account over FY '87 will fund the annualization of these centers and provide full twelve month funding.

HOUSE 1:

The Governor's recommendation increases this line item by transferring $413,000 from other agencies (such as the Department of Mental Health) for four MRC turning 22 clients. The remainder of the increase funds a three percent cost-of-living increase for provider

AGENCY NAME: MASSACHUSETTS REHABILITATION COMMISSION

ACCOUNT TITLE: SERVICES TO THE HEAD-INJURED ACCOUNT #: 4120-0071

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        FY'87 AGENCY APPROPRIATION: $4,422,091
              FY'88 AGENCY REQUEST: $5,614,467
                            HOUSE 1: $5,758,639
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AGENCY REQUEST:

The Services to the Head-Injured Program was initiated in FY '86. Victims of auto accidents, gunshot wounds, or other trauma to the brain do not qualify for services to the developmentally disabled. As the plight of head-injured patients attracted the attention of lawmakers, a Senate Ways and Means Committee report in 1984 estimated that over 11,000 head injuries occur in Massachusetts each year with 1,700 severely disabled individuals requiring services every year. In its first year of operation, this program offered services to 27 clients. In FY '87, 32 clients are being served of whom five are children. A head injury unit at Shattuck Hospital is being established in FY '87. The agency request allows the program to continue to serve 32 clients, with an average cost of $100,000 per client.

The Commission will continue efforts begun in FY '87 to develop a neurobehavioral unit at Shattuck Hospital and two regional day service programs.

In addition, 122 head-injured clients receive case management services. Fourteen of these clients are children.

A total of 378 persons are on a waiting list for services. MRC sets priorities and serves the most severely injured first. The "priority 1" waiting list includes 24 at-risk head-injured persons.

HOUSE 1:

The Governor recommends an increase of approximately $1.3M over the FY '87 appropriation to annualize FY'87 services ($1.1M) and to provide a $2M cost of living adjustment for providers.

AGENCY NAME: MASSACHUSETTS REHABILITATION COMMISSION

ACCOUNT TITLE: TURNING 22 PROGRAM ACCOUNT #: 4120-0081

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        FY'87 AGENCY APPROPRIATION: $42,190
              FY'88 AGENCY REQUEST: $42,246
                            HOUSE 1: $45,374
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AGENCY REQUEST:

The agency initiated the program following enactment of Chapter 688 to meet the needs of the developmentally disabled who, upon turning 22 years age, lost their entitlement to special education services under Ch. 766. This line item funds an eligibility determination unit to evaluate whether clients are eligible for Turning 22 services under Chapter 688. The unit refers 700 to 800 cases a year. A Transitional Advisory Committee determines which agency will provide case management and plan for the transition of individuals once they are no longer eligible for Ch. 766 programs. Referred to the eligibility unit annually for determination of their disability are 250-300 people who are not covered through Supplemental Security Income (SSI).

The agency request includes funds for one full time staff person and some part time consultant services.

HOUSE 1:

House I supports the agency request and adds a $3,000 increase to cover collective bargaining costs.

AGENCY NAME: MASSACHUSETTS REHABILITATION COMMISSION

ACCOUNT TITLE: SOCIAL/RECREATION SERVICES ACCOUNT #: 4120-0092

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        FY'87 AGENCY APPROPRIATION: $112,136
              FY'88 AGENCY REQUEST: $112,136
                            HOUSE 1: $115,500
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AGENCY REQUEST:

The Massachusetts Rehabilitation Commission proposed this new line item in FY '87 to increase the accessibility of community recreation programs to the disabled. While the agency originally projected

450 handicapped participants, the FY '87 budget provided funding for a demonstration project which served only 15 clients through a contract with Life Focus, Inc. The agency has requested level funding for FY '88.

HOUSE 1:

The Governor's recommendation increases the FY '87 appropriation by $5,000 to include a three percent cost-of-living increase.

AGENCY NAME: MASSACHUSETTS COMMISSION FOR DEAF AND HARD OF HEARING

ACCOUNT TITLE: MASSACHUSETTS COMMISSION FOR DEAF ACCOUNT #: 4125-0100

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        FY'87 AGENCY APPROPRIATION: $2,270,284
              FY'88 AGENCY REQUEST: $3,563,527
                            HOUSE 1: $3,144,843
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AGENCY REQUEST:

The Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH) is a newly independent agency which coordinates services for the 330,000 deaf or hearing-impaired individuals in the Commonwealth. The Commission was a part of the Massachusetts Rehabilitation Commission prior to FY '87. The Commission evaluates the effectiveness of services provided for the deaf by various state agencies, provides information and referral services, and supplies interpreters. MCDHH also has been authorized to sell or lease at a discount telephone/telecommunications devices for the deaf.

This year, 400 deaf individuals will receive case management services. In addition, FY '87 marked the inception of independent living services for the deaf, through which the Commission teaches deaf people skills such as sign language or use of special equipment.

There are two MCDHH offices, one in Boston and one in Springfield.

The agency request includes $3.35M in maintenance funding. Expansion totalling $206,850 was requested for seven new case managers ($125,000); the interpreter service fund ($32,000); a telecommunications staff increase from one to two ($23,000); one new administrative position ($26,000); and an unspecified amount for the emergency interpreter call service.

HOUSE 1:

The increase of $1.1M in House I over the FY '87 appropriation represents annualization of services begun in FY '86, plus $32,000 for a three percent cost-of-living increase proposed for the providers.

AGENCY NAME: DEPARTMENT OF PUBLIC WELFARE

ACCOUNT TITLE: MEDICAID FOR MENTALLY ILL AND RETARDED ACCOUNT #: 4402-5300

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*                                                   *
        FY'87 AGENCY APPROPRIATION: $56,000,000
              FY'88 AGENCY REQUEST: $70,065,809
                            HOUSE 1: $67,300,000
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AGENCY REQUEST:

Medicaid for the Mentally Ill and Mentally Retarded pays for the following community services: Intermediate Care Facilities for the mentally retarded, day habilitation, early intervention, mental health centers, psychiatric hospital outpatient departments, and psychiatric day treatment. All of these forms of treatment are intended to encourage independence and to avoid institutional care. The community mental health centers funded in this account serve low income people. Of their patients, 35 to 40 percent are working poor, and a substantial proportion of their income comes from Medicaid.

There has been steady growth in these services in the last few years. From FY '81 to FY '87, ICF-MR's will grow from six to 39. The establishment of 22 new day habilitation programs will bring that total to 32 in FY '87. Mental health centers will number 162, up from 115 in FY '81. In FY '87, there will be 28 more psychiatric day treatment programs than in FY '81. Early intervention programs for the retarded total 43 in FY '87.

Growth in community services for the mentally retarded has come about primarily because of consent decrees agreed to in the 1970s to improve services for retarded individuals living in state schools. Community residential facilities (ICF-MR's) now represent a little less than one-quarter of this account.

The agency request includes five new day habilitation programs. An increase of 20 new community mental health centers for a total of 182 is also requested. The agency request incudes $6.7M annualization, $3.5M inflation and $1.8M non-discretionary program costs.

HOUSE 1:

The Governor's recommendation increases this account by nearly $11M over the FY '87 appropriation. House 1 supports the agency request after downward adjustments of almost $3M. The total recommendation is $5.4M annualization, $3.2M inflation and $2.2M non-discretionary expansion costs (one new ICF-MR is funded).

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ACCOUNT TITLE: RESPITE CARE FOR DEVELOPMENTAL DISABLED — ACCOUNT #: 4800-0070

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   FY'87 AGENCY APPROPRIATION: $5,169,018
         FY'88 AGENCY REQUEST: $5,398,319
                     HOUSE 1: $5,341,215
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AGENCY REQUEST:

This account provides up to ten days of respite care to families who care for developmentally disabled children at home. In the first half of FY '87, roughly 3,700 families received respite care.

For FY '88, DSS has requested a four percent cost-of-living allowance (COLA) for providers.

HOUSE 1:

House 1 reflects an increase of $272,207 over FY '87 representing a three percent COLA.

AGENCY NAME: DEPARTMENT OF MENTAL HEALTH

ACCOUNT TITLE: TURNING 22 SERVICES — ACCOUNT #: 5011-0006

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   FY'87 AGENCY APPROPRIATION: $15,088,357
         FY'88 AGENCY REQUEST: $17,750,000
                     HOUSE 1: $ 1,610,633
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AGENCY REQUEST:

The Turning 22 Services Account funds services to mentally ill and developmentally disabled people who become ineligible for

special education services when they turn 22 years old. This account pays for services mandated by Ch. 688 of the Acts of 1983, which requires a "transition" assessment for all such clients and provides services "subject to appropriation."

Anticipating the division of the Department of Mental Health (DMH) during FY '88, Turning 22 money has been divided into two accounts, one for mentally ill clients and one for the mentally retarded. Account 5011-0006 pays for transition services to mentally ill persons who are turning 22, while a new account (5911-0006) of the Department of Mental Retardation (DMR) will serve retarded clients.

DMH had requested $1.1 million in FY '88 expansion for mentally ill clients turning 22; this would have funded only "priority 1" persons. Approximately 100 clients are on the waiting list.

HOUSE 1:

House I provides $249,000 for real expansion to serve an estimated 11 or 12 of the most serious cases. House I includes $39,000 for a three percent provider cost-of-living increase.

AGENCY NAME: DEPARTMENT OF MENTAL RETARDATION

ACCOUNT TITLE: TURNING 22 - MR ACCOUNT #: 5911-0006

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   FY'87 AGENCY APPROPRIATION: $   -0-
         FY'88 AGENCY REQUEST: $   -0-
                       HOUSE 1: $12,358,367
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AGENCY REQUEST:

Turning 22 - MR is a new account within the new Department of Mental Retardation. This account funds transition planning and new services for mentally retarded individuals who become ineligible for services under Ch. 766 special education programs when they reach 22 years of age. Services to this population were provided in the past by the Department of Mental Health (DMH) under account 5011-0006.

DMH requested $4.3 million in expansion for mentally retarded Turning 22 clients, which would have served 230 "priority 1" clients.

In comparing Turning 22 accounts to FY '87 funding levels, note that DMH has transferred $6.5 million from this account to MR Services (5048-0000 in the agency request; 5948-0000 in H. I). This represents the continuing funding for those clients whose transition to the adult MR system is complete.

HOUSE 1:

House I recommends $1.04M in expansion, to serve approximately 55 clients. The bulk of DMH account 5011-0006 is allotted to the new Department of Mental Retardation.

AGENCY NAME: DEPARTMENT OF MENTAL RETARDATION

ACCOUNT TITLE: CHILD/ADOLESCENT SERVICES ACCOUNT #: 5947-0000

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        FY'87 AGENCY APPROPRIATION: $  -0-
              FY'88 AGENCY REQUEST: $  -0-
                            HOUSE 1: $831,072
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AGENCY REQUEST:

None.

HOUSE 1:

This account is established in the House 1 version of the budget and continues funding for multiply handicapped children previously served by the Department of Mental Health under account 5047-0000.

AGENCY NAME: DEPARTMENT OF MENTAL RETARDATION

ACCOUNT TITLE: MENTAL RETARDATION FACILITIES ACCOUNT #: 5983-0100

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   FY'87 AGENCY APPROPRIATION: $   -0-
         FY'88 AGENCY REQUEST: $   -0-
                       HOUSE 1: $245,147,712
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AGENCY REQUEST:

This account is a new account within the new Department of Mental Retardation. This account funds the state schools for the mentally retarded as well as the Mansfield Residential Autistic Program, the Glavin Regional Center, the Monson Developmental Center, and the Hogan-Berry Center. About four percent of the residents in these facilities are children or adolescents.

HOUSE 1:

House 1 is $15 million higher than the agency's request for the state schools account (see 5083-0100). The Executive Office of Administration and Finance adjusted the base down by a small amount, then added $18M for collective bargaining. There was no expansion requested for this account.

OFFICE FOR CHILDREN

OFFICE FOR CHILDREN

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   FY'87 AGENCY APPROPRIATION: $10,366,269
         FY'88 AGENCY REQUEST: $11,939,599
                     HOUSE 1: $12,490,414
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TOTAL AGENCY SUMMARY

The Office for Children (OFC) ensures that adequate and appropriate services are provided to children by developing, coordinating and evaluating the Commonwealth's children's services. The Office does this through four programs: Licensing, Help for Children, Community Development, and the Child Care Resource and Referral (CCR&R) Programs.

The Office licenses all out-of-home services for children: child care, group residential care, and foster care and adoption placement agencies. The Help for Children program provides information, referral, and case management and coordination services to children and families, and Regional and Central Teams chaired by the Office develop service plans and assign responsibility for the most difficult to serve children. OFC's Councils for Children identify problems children face in their communities and use a variety of tools, including needs assessments, program reviews, public education, and administrative and legislative advocacy to resolve those problems. In FY '85 the legislature added a new program to the Office for Children. Called the Child Care Resource and Referral Program, it provides information, referral, training, and technical assistance to parents and day care providers. The CCR&R Program also works with employers and others to develop new day care resources. By the end FY '87, this program will serve the entire state.

In FY '88 the Office is requesting $11.9 million. This request includes annualization and expansion requests for:

- upgrading OFC's management information system ($25,698);

- six month funding for a Special Education (Chapter 766) Project to provide legal advice to the Office's Child Welfare specialists, private attorneys and parents on the state's special education law ($15,629);

- six month funding for an Agency Training Project ($12,870); and

- funds to replace anticipated office equipment ($70,000).

HOUSE 1:

The Governor's FY '88 recommendation for OFC represents an increase of approximately $2M over the FY '87 appropriation. This reflects annualization of the statewide network of CCR&R services. Of this $12.4M, $422,000 is a transfer of funds from DSS account 4800-0060 to support training programs for child care workers in OFC licensed programs; the coordinator of the training program at DSS is also transferred to OFC. This transfer will allow expansion of training to all providers, rather than only providers under contract to DSS.

The specific line item recommendations are as follows:

4130-0001	Office of the Director	$1,620,406
4130-0005	Field Operations	$4,025,770
4130-0016	Child Care Resource & Referral	$1,844,238

A description of each line item follows:

AGENCY NAME: OFFICE FOR CHILDREN

ACCOUNT TITLE: OFFICE OF THE DIRECTOR ACCOUNT #: 4130-0001

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   FY'87 AGENCY APPROPRIATION: $  994,731
         FY'88 AGENCY REQUEST: $1,308,506
                     HOUSE 1: $1,620,406
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AGENCY REQUEST:

The FY '88 agency request includes annualization, expansion funding of $12,870 for a training coordinator to develop

in-service training programs for OFC staff, and $15,629 for an attorney to concentrate on the special education law and serve as a resource and trainer to OFC's child welfare specialists and private attorneys who are required to advise parents and children on an increasingly complicated are of the law.

HOUSE 1:

The Governor's recommendation reflects an increase of $625,675 over FY '87. House 1 also transfers $463,818 in child care provider training money from DSS, and includes $88,737 in collective bargaining costs, and $12,660 for cost-of-living increases shifted from DSS, a well as $43,680 in annualization. The two new positions requested by the Office are not funded.

AGENCY NAME: OFFICE FOR CHILDREN

ACCOUNT TITLE: FIELD OPERATIONS ACCOUNT #: 4130-0005

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   FY'87 AGENCY APPROPRIATION: $8,155,063
         FY`88 AGENCY REQUEST: $8,630,023
                     HOUSE 1: $9,025,770
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AGENCY REQUEST:

The FY '88 agency request represents annualization of the new FY '87 positions. In addition, the FY '88 request includes funding for three data entry operators to maintain the OFC's new management information system implemented in FY '87. The management information system allows the agency to establish and maintain a comprehensive information system on children's services. OFC's FY '88 request also includes $70,000 for equipment replacement. The additional money would allow the agency to meet its most pressing equipment needs and begin an ongoing replacement program.

HOUSE 1:

The Governor's FY '88 recommendation reflects an increase of $870,707 over FY '87. It includes $303,616 for annualization of which $150,000 represents annualization of the family day care reserve. House I also provides maintenance funding of licensing,

regional and area staff positions, and operation of field offices. Collective bargaining costs are funded at $719,193. Plant maintenance, and data entry positions are not funded.

AGENCY NAME: OFFICE FOR CHILDREN

ACCOUNT TITLE: CHILD CARE RESOURCE & REFERRAL ACCOUNT #: 4130-0016

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   FY'87 AGENCY APPROPRIATION: $1,216,475
         FY`88 AGENCY REQUEST: $2,001,070
                      HOUSE 1: $1,844,238
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AGENCY REQUEST:

FY '87 budget allowed the agency to expand its Child Care Resource and Referral (CCR&R) services statewide. To complete this statewide network, six CCR&R agencies were funded during the last half of FY '87 creating a total of 12 throughout Massachusetts.

OFC's FY '88 budget request annualizes the cost of these twelve programs, and provides funding for satellite offices and specialized program-specific needs.

HOUSE 1:

The Governor's recommendation is an increase of $627,763 over FY '87, and allows for annualization and maintenance funding of the 12 Child Care Resource and Referral Agencies. H. 1 does not include $200,000 for satellite offices and program-specific needs.

PROVIDER SALARY PARITY

EOHS 4000-0770

*designates an account that appears in two issue areas

AGENCY NAME: EXECUTIVE OFFICE OF HUMAN SERVICES

ACCOUNT TITLE: PROVIDER SALARY RESERVE ACCOUNT #: 4000-0770

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   FY'87 AGENCY APPROPRIATION: $13,750,000
         FY'88 AGENCY REQUEST: $16,820,000
                     HOUSE 1: $   442,300
*                                                   *
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AGENCY REQUEST:

The Executive Office of Human Services requested another year of salary upgrading funds for human service and day care providers. The request asks for a 12 percent salary increase for mental retardation (MR) service providers. It also requests an increase to mid-point plus an eight percent adjustment to the Governor's Day Care Partnership Project's salary schedule for day care providers and a seven percent increase for all other human service provider staff.

Of the Executive Office of Human Services request, $5.6M is targeted for MR service providers, $6.48M for day care providers and $4.74M for other Human service providers.

HOUSE 1:

House I does not support another year of salary upgrading. The House I amount reflects the salary reserve not allocated in FY '87 and does not indicate how it should be used.

APPENDIX
FY'88 FEDERAL BUDGET ANALYSIS

Aid To Families with Dependent Children (AFDC)

FY'88 Budget Proposal

	FY '86	FY '87	FY'88 Current Law	FY'88 Proposed Legislation
National	8.237 B	8.836 B	8.426 B	8.120 B
% change		7.3%	-4.6%	-8.3%

The FY'88 Budget includes several proposals intended to reduce eligibility for AFDC benefits and cut Federal reimbursement for state administrative costs. Many of these are a rehash of prior year proposals which have been soundly rejected by Congress in the past.

In terms of AFDC eligibility, the President's budget would:

* End parent/caretaker benefits when the youngest child turns age 16.

* Require that single minor parents live with their parents in order to be eligible for AFDC.

Enactment of these two proposals would reduce Federal AFDC payments by $126 million nationwide and would cut benefits in the Commonwealth by roughly $6 million.

The Administration is also recommending that state quality control (QC) sanctions for AFDC payments above a 3% error rate tolerance level be prospectively withheld at the beginning of each fiscal year. According to Administration estimates, this proposal would cost states an additional $188 million in FY'88. However, given that a Congressionally-ordered study of the QC system is still underway -- a review initiated due to the widespread perception that the QC system was seriously flawed -- it is unlikely that Congress will seriously consider this proposal.

Finally, the Administration is proposing to reduce the Federal match rate for administrative costs above 125% of the national median cost per recipient and to phase out the higher Federal match rate for statewide data systems development. The Administration projects savings of $20 million in FY'88 from these two proposals.

Despite the attention afforded welfare reform in last year's State of the Union address and the Administration's recently released report, this year's budget does not include a welfare reform initiative.

WORK INCENTIVE PROGRAM (WIN)

FY'88 Budget Proposal

	FY'81	FY'86	FY'87	Proposed FY'88
National	365 M	$211 M	$110 M	-0-
% Change		-42%	-48%	-100%

As in past years, the Administration's FY'88 budget proposes elimination of the WIN program, which was funded at $110 million in FY'87. In its place, the Administration recommends creation of a new work program for welfare recipients: Greater Opportunities Through Work, or GROW.

Although details of the program are not yet finalized, GROW greatly resembles past Administration work proposals. However, it does contain a number of new wrinkles which are worthy of mention.

First, unlike past Administration proposals, GROW does incorporate certain education components into its work program for welfare recipients. Under the Administration's FY'88 plan, teenage parents and recipient children lacking a high school education would be required to continue in school. Other parents with less than a high school diploma could participate in remedial education activities meeting a minimum effort standard.

Beyond these education activities, however, recipients would be limited to Community Work Experience Programs (CWEP), job search, grant diversion, and training programs funded by JTPA. Moreover, although states would be eligible for 50% federal reimbursement for CWEP, job search, and grant diversion programs (as under current law), no federal GROW money would be available for education and training activities.

The number of AFDC recipients exempted from program participation would also be greatly narrowed under the GROW proposal. As you know, under current law, AFDC recipients with dependents under six years of age are not required to register for the WIN program. GROW would exempt only mothers with children less than a "few months" old from program participation.

Among this broadened pool of program eligibles, states would be required to have 20% participation in work activities in 1988, increasing by 10% a year up to 60% required participation in 1992. (Higher standards would be set for school attendance of teenage parents and recipient children.) This is more modest than past participation requirements proposed by the Administration which have ranged from 75% to

100% of recipients eligible for work programs. Although not addressed in the budget, HHS is reportedly developing a sanction system which would penalize states for failure to meet these participation requirements.

In addition to providing matching funds for certain work-related activities, GROW would reimburse states for support services, including child care, for individuals participating in these specific programs. The budget also indicates that support services provided to individuals participating in the education components would be eligible for Federal matching funds. HHS is reportedly in the process of specifying which state costs for education participants will be reimbursable. Given the level of funding requested for GROW, these are not likely to be extensive. However, reimbursement for child care, even if proposed for only a small number of recipients in education programs, clearly would represent a very significant step.

The Administration requests $110 million for the GROW program in FY'88. It estimates that the program will save $102 million in welfare benefits, for a net Federal cost of $8 million in FY'88.

CHILD NUTRITION PROGRAMS

Despite consistent support in Congress for child nutrition programs, the Administration's FY'88 request is $826 million less than the level necessary to maintain current services.

FY'88 Budget Proposal

	FY'86	FY'87	FY'88 Current Law	FY'88 Proposed Legislation
National	4.209 B	4.471 B	4.847 B	4.021 B
% Change		5.9%	7.8%	-10%

The largest cut in the FY'88 proposal results, once again, from proposing to eliminate cash and commodity subsidies for meals served to "non-needy" children in the School Lunch, School Breakfast, and Child Care Food Programs. As defined by the Administration, "non-needy" children refers to those children from households with income above 185% of the poverty level. As a result, it is estimated that, in the School Lunch Program alone, 160,000 children in Massachusetts would no longer participate in the program.

The following proposals would also reform the programs and reduce outlays:

* Eliminate special per meal administrative reimbursement rates and modify the general per meal reimbursement rates in the Summer Food Service Program.

* Eliminate Federal funding of the Nutrition Education and Training (NET) Program.

* Eliminate the special fund for State Child Care Food Program audits.

* Reduce the funding level for State Administrative Expenses (SAE).

OTHER FOOD ASSISTANCE

The FY'88 budget also proposes major reductions in funding for other important food assistance programs. The Commodity Supplemental Food Program (CSFP) funding would be $34.6 million in FY'88, a reduction of approximately 17% from the FY'87 level of $41.5 million. The CSFP provides assistance in the form of commodities purchased or donated by USDA.

In addition, no funding is requested in FY'88 for the Temporary Emergency Food Assistance Program (TEFAP) and a deferral of $28.6 million is requested for 1987. TEFAP funds are distributed to states to pay for intrastate storage and distribution costs for donated federal commodities.

OTHER PROGRAMS

The Administration's FY'88 budget proposal provides level funding for the following programs:

	Proposed FY'88
* Maternal and Child Health Block Grant	478 M
* Preventive Health Services Block Grant	90 M
* Social Services Block Grant	2.7 B
* Community Health Centers	400 M

WOMEN, INFANTS, AND CHILDREN (WIC)

FY'88 Budget Proposal

	FY'86	FY'87	Proposed FY'88
National	1.58 B	1.663 B	1.687 B
% Change		5%	1.4%

The President's budget proposes to increase funding for the WIC program by $24 million to $1.69 billion in FY'88. Although this represents a 1.8% increase in funding, this is well below the funding necessary to maintain participation levels in the program at FY'87 levels. According to the Administration, this request will support 3.3 million participants per month, 100,000 participants less per month than estimated for the program in 1987.

ALCOHOL, DRUG ABUSE & MENTAL HEALTH SERVICES (ADAMHS) BLOCK GRANT

FY'88 Budget Proposal

	FY'86	FY'87	Proposed FY'88
National	468.9 M	509 M	495 M
% Change	---	8.5%	-2.7%

The Administration proposes $495 million for the ADAMHS Block Grant in FY'88. This represents a three percent reduction from the FY'87 level.

Congress initially appropriated $495 million for the Block Grant in FY'87; the appropriation was increased to $509 million after enactment of the Omnibus Drug Act which contains a six percent set aside of the treatment funds for current ADAMHS Block Grant purposes. The Administration proposes no additional funds in FY'88 for the new substance treatment initiative, and would level fund the block grant at the initial FY'87 level.

REHABILITATION SERVICES ACT

The President's FY'88 budget proposes a significant cut in federal funds for the vocational rehabilitation of disabled persons. The Administration's request for the basic State Vocational Rehabilitation Grant Program is $52.9 million less than the enacted FY'87 level, representing a decrease in funds of 4.1%. In addition, the FY'88 budget proposes a $96.7 million rescission in the current fiscal year.

FY'88 Budget Proposal

	FY'86	FY'87	Proposed FY'88
National	1145.1 M	1281 M	1228.1 M
% Change		10.6%	-4.1%

The FY'88 budget request also would provide level funding at $41.4 million for three independent living programs for the severely disabled: Independent Living Centers, Independent Living Services and Independent Living Services for the Elderly Blind.

FY'88 Budget Proposal

	FY'86	FY'87	Proposed FY'88
National	37.3 M	41.4 M	41.4 M
% Change		9.9%	-0-

Medicaid

FY'88 Budget Proposal

	FY'86	FY'87	FY88 Current Law	FY88 Proposed Legislation
National*	24.995 B	26.7 B	28.12 B	26.864 B
% Change		6.8%	5.3%	.6%

* Medicaid funding levels include Federal expenditures for benefits and state administrative costs

The President's FY'88 budget includes significant reductions in the Medicaid program. The most sizable reduction would be achieved by capping Federal medicaid payments to states at $25.4 billion in FY'88, an amount which is $1.3 billion below current services levels. The budget also calls for a $300 million contingency fund for states which have "unusual cost increases" but does not elaborate on how these funds would be disbursed. Federal spending in future years would be limited to the increase in the medical care component of the Consumer Price Index.

The Department of Public Welfare estimates that this proposal alone would cost Massachusetts roughly $50 million in lost Federal reimbursement next year. Fortunately, the new Congress is not expected to be very receptive to the cap proposal. Faced with a similar Administration request last year, Congress acted to expand Medicaid eligibility for low-income, pregnant women and children rather than cut expenditures for the program.

The Administration is also advancing a number of proposals to reduce Federal reimbursement for state administrative costs by $360 million in FY'88. States with per recipient administrative expenditures over 135% of the national median would receive a lower matching rate for those costs which exceed the 135% limit. Moreover, all special matching rates would be reduced to the general administrative match rate of 50%. Among the expenditures for which states currently receive an enhanced match rate are the development and operation of information systems, family planning services, contracts with Peer Review Organizations, and fraud control.

Under the Administration plan, a portion of the savings achieved by reducing special matching rates, specifically the enhanced rates for family planning services, would be used to fund an $85 million infant mortality initiative. Although details are somewhat sketchy, the purpose of the program would be to provide comprehensive case management services to pregnant women, including those who are at high risk of having

low birth weight children and teenage pregnancies. Funding would be available through demonstration and waiver projects and coordinated with existing Federal programs, e.g. community health centers, WIC.

The budget also includes a proposal to provide financial incentives to states, through higher matching rates, for enrolling medicaid recipients into capitated health plans. The incentive bonus would be provided only for newly negotiated contracts in areas where all recipients in a geographical area are enrolled in such arrangements. Since Health CHOICES is already underway and is not a mandatory enrollment program, the Welfare Department does not anticipate that this will result in added Federal reimbursement to the Commonwealth.

Finally, recommended changes in the Medicare program would have an impact on state Medicaid expenditures. The Administration proposes to increase Medicare Part B premiums paid by third party payors, such as Medicaid, so that they cover 50% of program costs (See Medicare section). The Welfare Department estimates this could cost the state $15 to $20 million next year.

FOOD STAMPS

The FY'88 budget requests $11.9 billion for the Food Stamp Program, $300 million below the current law level. The major portion of this reduction, $258 million, would result from a proposal to hold states liable for the full dollar value of over-issued benefits above a tolerance level of five percent.

FY '88 Budget Proposal

	FY '86	FY '87	FY '88 Current Law	FY '88 Proposed Legislation
National	11.653 B	11.793 B	12.196 B	11.918 B
% Change		1.2%	3.3%	1%

The Administration also projects savings of $83 million in FY'88 based on other proposed program changes such as:

* Prohibiting the inclusion of expenses paid with funds provided under the Low Income Home Energy Assistance Program (LIHEAP) in calculating a household's excess shelter deduction.

* Counting stipends as well as the earnings of Job Training Partnership Act (JTPA) participants as income.

* Amending the state administrative funding formula to retain the basic 50 percent match provision, but reducing the federal match when state costs exceed a certain level.

Social Services Discretionary Programs

FY'88 Budget Proposal

	FY'86	FY'87	Proposed FY'88
Social Services Discretionary Programs:	--	--	2,210 M
Head Start	1,040 M	1,131 M	--
Aging Programs	671 M	712 M	--
Child Welfare Services	218 M	220 M	--
Developmental Disability	77 M	84 M	--
Child Abuse/ Family Violence	27 M	39 M	--
Native Americans Programs	28 M	29 M	--
Other Programs	27 M	29 M	--
National Total	2,088 M	2,244 M	2,210 M
% Change		7.5%	-1.5%

The Administration's FY'88 budget includes a "generic appropriation request" of $2.2 billion for the 26 social services programs administered by HHS' Office of Human Development Services. Under this so-called generic appropriation, HHS would be alloted a sum of money for social services dicretionary programs and would then be able to determine specific program funding levels to the extent that Congress did not earmark funds for particular programs. The Administration maintains that this is different from a block grant request in that the programs will continue to be Federally administered and will maintain their separate statutory authorities.

The $2.2 billion level requested by the Administration is $34 million below the amount appropriated for the 26 social services programs in FY'87, a cut of 1.5%. Moreover, since HHS is requesting that Head Start receive an additional $20 million in FY'88, these additional funds would be made available at the expense of the other programs in the social services discretionary category. Just as cuts in basic social services programs are likely to be hard to sell on Capitol Hill, it appears even less likely that Congress would agree to a "generic appropriation" that transfered final spending levels for important programs, such as the Older Americans Act and child abuse programs, from the legislative to the executive branch.

REFUGEE ASSISTANCE PROGRAM

The President's FY'88 budget proposal requests a significant decrease in the amount of federal funds provided for refugee assistance. Currently, refugee funds are paid to states for their share of assistance costs for refugees in the AFDC and Medicaid programs during their first 31 months in the country. The 31 month period is a reduction from 36 months implemented by the Administration in FY'86 in response to Gramm-Rudman.

FY'88 Budget Proposal

Cash and Medical Assistance

	FY'86	FY'87	Proposed FY'88
National	225 M	225 M	180 M
% Change		-0-	-20%

Social Services

	FY'86	FY'87	Proposed FY'88
National	68 M	69 M	45 M
% Change		1.4%	-34.8%

Targeted Assistance

	FY'86	FY'87	Proposed FY'88
National	48 M	-0-	-0-
% Change		-100%	-0-

For FY'88, the Administration plans to further reduce to 24 months the period that it pays the state share of AFDC and Medicaid costs, and from 18 to 12 months the period that it pays 100% of assistance costs for refugees who do not meet categorical eligibility requirements for AFDC and Medicaid. These two changes would result in a reduction of $45 million.

The budget proposal also includes a reduction of $24 million in social services for refugees, a cut of 34.8% from 1987 levels. The budget would not provide any additional funds for the Targeted Assistance Program.

CHAPTER 1

The FY'88 budget includes $4.1 billion for Chapter 1 of the Education Consolidation and Improvement Act, a $200 million increase over the 1987 appropriation.

The Department of Education will soon forward to Congress its legislative proposal to reauthorize Chapter 1. The development of the proposal for the grants to Local Education Agencies (LEAs) has been guided by the following key principles outlined by the Department of Education: rewarding success, targeting resources on the most needy schools and children, fostering accountability and innovation and experimentation, enhancing parental choice and parental involvement, and ensuring equitable services for all children.*

FY'88 Budget Proposal

	FY'81	FY'86	FY'87	Proposed FY'88
National	3.10 B	3.5 B	3.9 B	4.1 B
% Change	---	13%	11%	5%

*This refers to the Felton ruling, where many private school children no longer receive Chapter 1 services. The Administration has filed legislation which would require LEAs to extend the option of providing compensatory services, through vouchers, to parents who choose to send their children to private school.

CHAPTER 2

For FY'88, the Department plans to continue the State Block Grant at the FY'87 level of $500 million. In addition, the Administration is proposing certain changes to the State Block Grant legislation as part of its proposal to reauthorize the Education Consolidation and Improvement Act. These changes consist of educational reform recommendations which include the idea of permitting a temporary waiver from the "supplement not supplant" provision so that Chapter 2 funds can be used at the local level to help implement reform activities mandated by the states.

FY'88 Budget Proposal

	FY'81	FY'86	FY'87	Proposed FY'88
National	510.9 M	478.4 M	500 M	500 M
% Change	---	-6.4%	4.5%	-0-

LOW-INCOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

The FY'88 budget requests an appropriation of $1.24 billion for LIHEAP. This represents a decrease of 32% over FY'87. The budget proposal maintains that fallen energy prices, the availability of oil overcharge funds, and increased state investment in weatherization provide the basis for reducing the federal program.

	FY'81	FY'86	FY'87	Proposed FY'88
National	1.85 B	2.0 B	1.8 B	1.24B %
Change		8%	-9%	-32%

Although energy prices have declined over the past two years (oil prices were down 20% since 1981), the average LIHEAP benefit level remains far below the annual cost of heating for low-income households. In addition, there has never been sufficient funding to serve the twenty-two million households eligible for assistance. While some states have increased their weatherization efforts, they have not been able to make significant inroads into the fuel assistance population. Accordingly, until the weatherization efforts can reach these households, their fuel assistance needs must continue to be met. Moreover, if states are forced to use oil overcharge funds to supplant the federal commitment for weatherization as well as to make up the shortfall in LIHEAP assistance, they will only be able to maintain the programs at best, without decreasing the need for assistance.

Finally, the President's proposal will adversely affect the LIHEAP distribution formula agreed to in FY'84 since the funding request falls below the hold harmless level of $1.975 billion. As a result, the cold weather states' share of LIHEAP funds could be significantly reduced should the allocation formula become an issue during the appropriation process.

RENTAL REHABILITATION GRANTS

The President's budget proposes a rescission of $125 million of the appropriated $200 million for the Rental Rehabilitation Program in FY'87. The remaining $75 million will be coupled with $20 million in recaptured funds from FY'86, amounting to a FY'87 program of $95 million. Funding for FY'88 will be limited to $75 million.

FY'88 Budget Proposal

	1986 Proposed	1987 Proposed	1988 Proposed
National	71.7 M	95 M	75 M

HOUSING FOR ELDERLY AND HANDICAPPED (SECTION 202)

The Administration has proposed an appropriation of $506.2 million for 12,000 units in FY'87 but also proposes for FY'88 a shift of 2,000 of the enacted 12,000 units of Section 202 from FY'87 to FY'88. These 2,000 units will be funded through $90.4 million in Loan Authority and $267.2 million in Section 8 Budget Authority, amounting to $357.6 million for FY'88.

FY'88 Budget Proposal

	1986 Proposed	1987 Proposed	1988 Proposed
National	493 M	506.2 M	357.6 M

CONGREGATE SERVICES

This program provides housing for the elderly and handicapped in conjunction with private housing. The Administration has proposed that the program be terminated in FY'88.

FY'88 Budget Proposal

	FY'86	FY'87	Proposed FY'88
National	2.5 M	3.4 M	-0-

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

FY'88 Budget Proposal

	FY'81	FY'86	FY'87	Proposed FY'88
National	3.7 B	2.9 B	2.63 B*	2.5 B

* Includes a rescission of $375 million.

The Administration's proposed budget for FY'88 contains a rescission request of $375 million in current year funding for the CDBG program. If approved by Congress, the program would be funded at $2.6 billion in FY'87. The Administration recommends $2.5 billion for Community Development Block Grants in FY'88.

HUD will also seek congressional approval of new regulations for CDBG program eligibility. Under this plan, which has not yet been introduced, existing funds would be targeted to those entitlement cities and smaller communities which meet new economic guidelines.

RENTAL HOUSING DEVELOPMENT GRANTS (HoDAG)

The HoDAG program provides funds to local governments and states for projects in areas experiencing severe shortages of rental housing. The Administration proposes to rescind the entire $99.5 million appropriated for FY'87. Moreover, the Administration proposes to terminate the program in FY'88.

FY'88 Budget Proposal

	FY'86	Proposed FY'87	Proposed FY'88
National	71.7 M	-0-	-0-

PUBLIC HOUSING OPERATING SUBSIDIES

For FY'87 the Administration has proposed an appropriation of $1.4 billion for Operating Subsidies. This will be funded out of $173.1 million in unobligated balances from FY'86 and $1.35 billion in new appropriations. This will, in fact, leave an unused balance of $85.3 million at the end of the year. The Administration is proposing language that will utilize the availability of this balance through FY'88.

The Administration proposes that the program be appropriated at $1.37 billion in FY'88. This number does not reflect the fact that the Administration proposes to reappropriate $85.3 million in unused balances from FY'87.

FY'88 Budget Proposal

	FY'86	Proposed FY'87	Proposed FY'88
National	1.1 B	1.43 B	1.37 B

SUBSIDIZED HOUSING PROGRAMS (SECTION 8)

The Administration has proposed that Congress rescind $463.3 million from the FY'87 appropriation for Subsidized Housing Programs. Another $20 million in reappropriated funds will be added to the FY'87 budget bringing the total to $7.3 billion.

For FY'88 the Administration has proposed a budget of $3.9 billion to fund 82,000 units including 79,000 vouchers, 1,000 units of Indian Housing and 2,000 Section 8 units which have been reappropriated from FY'87 to FY'88. The Administration plans to add nearly 80,000 new units each year starting in 1988 and continuing through 1992. A total of 79,000 of these new units will be vouchers.

FY'88 Budget Proposal

	FY'86	Proposed FY'87	Proposed FY'88
National	9.5 B	7.36 B	3.9 B

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